

OVERSEAS NEWS

Warsaw bids to cushion rises in food prices

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities have decided to re-introduce price controls on a number of consumer durable goods...

Pipeline leak cuts Nigerian oil flow

By Martin Dickson, Energy Correspondent

NIGERIA'S oil production has been reduced temporarily by an estimated 15 to 20 per cent because of a leak in a pipeline supplying one of the country's main export terminals...

New French ban on Italian wine

BY DAVID WHITE IN PARIS

FRANCE has imposed a temporary ban on customs clearance for Italian wine imports—the second in six months. It has resorted to the measure in a bid to quell renewed protests from French winegrowers...

wine-growing Hérault department in South-west France, announced at a rally on Friday that the Government had promised to stop imports for 'two or three weeks'...

France's current account deficit widens to £3.8bn

BY OUR PARIS STAFF

FRANCE ENDED last year with one of its worst-ever monthly trade performances as a reasonably adjusted deficit of FF 7.9bn (£744m) in December...

Italy blocks move to take Europe's MPs to court

BY JOHN WYLES IN BRUSSELS

ITALY has decided to block a move by the European Community's Council of Ministers to take the European Parliament to court over its adoption of the Community's 1982 budget...

Walesa urges Solidarity protests against increases

BY OUR FOREIGN STAFF

LECH WALESA, detained leader of the Solidarity trade union, has advised colleagues still at liberty to make what protests they can at the steep food and energy price increases...

Promising find for Egypt in Western desert

By Anthony McDermott in Cairo

SHELL Winning NV, a wholly-owned subsidiary of Royal Dutch Shell, has made an initially small but promising oil find in Egypt's Western desert...



Mr Ohnoki, President over period of rapid growth

OBITUARY

Junzo Ohnoki of Nihon Keizai

BY OUR FOREIGN STAFF

Junzo Ohnoki, President of the Nihon Keizai Shimbun, Japan's leading financial newspaper, died of heart failure in Tokyo late on Thursday last week, aged 70...

Mr Morita, who is at present executive managing director, has worked in Delhi, New York and Osaka for 'Nikkei'...

WORLD TRADE NEWS

More bilateral aid 'should be tied to buying UK goods'

BY PAUL HANNON

MORE BILATERAL aid to less-developed countries should be tied specifically to the purchase of British goods and services, according to a report published in the National Westminster Bank Quarterly Review today...

Sue Cameron analyses the reasons behind Europe's drive to diversify energy supplies

Why W. Europe needs Soviet gas

THE CURRENT issue of the Gaz de France house journal makes the somewhat startling claim: 'Il y a de la science fiction dans le gaz'...

Table with 2 columns: GAS SUPPLY SOURCES, W. GERMANY, FRANCE, ITALY. Rows include Domestic, Netherlands, Soviet Union, Norway, etc.

Whatever the Russians may get up to, Opec's ability to cut oil supplies and send crude prices soaring is well proven. The attempts of Italy, France and Germany to cut back on oil imports appears, therefore, sensible because a high proportion of their imports come from Opec...

Table with 2 columns: PRIMARY ENERGY BALANCE, W. GERMANY, FRANCE, ITALY. Rows include Coal, Oil, Lignite, Natural gas, Nuclear, Hydro, Others.

give their gas to almost anyone who came along with a suitable length of pipe. But not any more. They have increased gas prices, tightened up internally on the 'wasteful' use of gas for non-premium purposes...

British Gas in Algerian LNG deal

By Sue Cameron

THE BRITISH Gas Corporation has done a one-off deal with Algeria for a single spot cargo of liquefied natural gas (LNG)...

SHIPPING REPORT Boost seen for tanker demand

By Lynn McLean

TANKER BROKERS last week looked forward to the possibility of a slight improvement in demand for crude oil tanker tonnage...

World Economic Indicators

Table with columns: TRADE STATISTICS, UK £bn, Japan U.S.\$bn, W. Germany DMbn, France FFbn, U.S. U.S.\$bn, Netherlands Fbn, Italy Lirebn. Rows include Exports, Imports, Balance for various months.

The brief answer is that a number of European countries have found themselves having to choose between the devil and the deep blue sea—or, rather, between Soviet Union and its wealth of gas and petroleum supplies of the Organisation of Petroleum Exporting Countries...

The Spanish Government will soon begin negotiations with the Soviet Union on buying Soviet natural gas, Reuter reports from Madrid. Sr Ignacio Bayon, Spain's Industry Minister, said the Government had set up a committee to negotiate the gas purchase...

France, Italy and West Germany which do not have enough indigenous gas of their own, are already importing it from such places as Norway, the Netherlands and Algeria...

CAA cheap seats plan to receive public hearing

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A PLAN by the Civil Aviation Authority to allow holiday charter airlines to sell up to 15 per cent of their seats to non-holiday passengers at cheap rates will be discussed publicly in London next month.

The scheme has been under review for some time, following an original bid by Britannia Airways, one of the country's biggest holiday tour operators, to sell off to non-holiday travellers some of the seats on its flights to many Mediterranean and other destinations from provincial cities.

The CAA rejected the bid at that time but admitted that it had some merit and was worth further consideration. After a long period of study, the CAA has made its own proposals. These will be given a public hearing in London from March 9 to 12.

The aim is to give passengers from provincial cities a chance to fly to many Mediterranean and other holiday destinations at cheap rates, even though they are not buying the kind of package tours which would normally enable them to get cheap air travel.

The flights would include such links as Newcastle-Málaga and Derby-Palma, which are not served directly by normal scheduled services but which do have holiday flights at varying frequencies.

The CAA recognises that many people own villas in holiday centres but find it difficult to travel to them because of the lack of scheduled flights. They do not want the expense of buying package tours and would prefer "flight only" tickets.

The plans are being generally welcomed by airlines, although there are some doubts.

The CAA, for example, suggests that the scheme should apply only from provincial cities, and not the London area, which it takes to include Heathrow, Gatwick, Stansted and Luton.

But some airlines, such as Britannia, which is a big holiday flight operator from those airports, feel this would exclude a large number of travellers who would take advantage of the scheme.

Britannia itself favours selling up to 50 per cent of seats to non-holiday tour customers rather than 15 per cent.

The rates involved in such a plan are not known, because in most cases there are no scheduled fares with which to compare. But the "flight only" tickets would be well below the average pence-per-mile rate between the UK and the Continent on which scheduled fares are normally calculated.

Speculation renewed on future of Royal Bank of Scotland

BY PETER RIDDELL AND WILLIAM HALL

SPECULATION about the future of the Royal Bank of Scotland has resurfaced with rumours among Scottish MPs at Westminster that the bank may move its headquarters from Edinburgh to London.

This might remove one of the obstacles in the way of a deal with another bank.

However, Mr Sidney Procter, the deputy managing director of the Royal Bank of Scotland Group, said there were "absolutely no plans" to shift the group's headquarters and registered office to London.

On Thursday the group held its first board meeting since the Government announced its decision just over a fortnight ago, blocking the rival £500m bids for the Royal Bank from Standard Chartered and from Hongkong and Shanghai Banking Corporation.

The speculation at Westminster apparently originates from well-informed MPs close to the issue. Their story is that, following changes among top executives in the group, the opportunity might be taken to move the headquarters to London, where there is already a large presence.

This would weaken the argument used in the recent Monopolies Commission report about the importance of the bank's Edinburgh headquarters and connections with the Scottish economy and might open the way for another deal.

The Scottish aspect has, however, raised strong feelings among local MPs and Scottish Office ministers.

The Royal Bank's long-term strategy is in a state of considerable flux. The group had wanted to merge with a partner with a strong overseas presence, in the form of Standard Chartered.

The blocking of this merger means that the Royal Bank has to rethink its international strategy. Another result of its abortive merger with Standard Chartered is the loss of influence over Lloyds and Scottish, its finance house affiliate, to Lloyds Bank. The Royal Bank still has a minority stake in the finance house.

In both areas the group needs to make alternative arrangements and further takeover attempts are not ruled out. There has been considerable speculation, for example, that the Royal Bank might make a bid for Grindlays Bank.

Mr Procter said that a deal in any form with Standard Chartered was out of the question now. The group planned to accelerate the expansion plans of its two banks, Royal Bank of Scotland Ltd and Williams & Glyn's.

Although it has a headquarters in Scotland, the group has always operated as two distinct banks with board meetings held alternately in London and Edinburgh.

There is a very small headquarters staff and its members are divided between the two cities. There has never been any move to integrate the two banks.

The Royal Bank of Scotland Ltd has its headquarters in Edinburgh but it has a large London presence and its 11 London branches account for a fifth of the bank's domestic deposits.

The bank's treasurer and staff are in London where they place the Royal Bank's liquid funds on the money markets. They report to the general manager (financial control) in Edinburgh. London also houses the bank's 100-strong international office which reports to the general manager (international) in Edinburgh.

De Lorean may cut more jobs in Belfast

By Our Belfast Correspondent

THE DE LOREAN sports car company in Belfast has told shop stewards it may be forced to declare more redundancies on top of the 1,100 announced last week.

Union representatives said the company did not guarantee that the reduction from 2,600 to 1,500 in the labour force would be sufficient to meet the crisis brought on by cash flow problems and the fierce recession in U.S. car markets.

Shop stewards told a mass meeting of workers that the 1,100 redundancies would not take effect until both the unions and management obtained legal advice about the notice given.

Mr Jim Nicholson, the Transport and General Workers' Union convenor at De Lorean said the union had asked for the statutory 90 days consultation period, but the company "did not have the cash flow to allow this."

He said De Lorean was hamstrung by commitments given to the Government not to incur debts it was unable to meet.

The Government has backed De Lorean with £67m of grants, loans and equity, and is providing guarantees against £10m of bank loans.

Mr John De Lorean says his chances of finding a partner for the venture and raising the £106m in export and retail finance needed, depend on the Cabinet agreeing to forgive the company all its Government debts in return for increased royalties.

The unions expect to meet Mr James Prior, Northern Ireland Secretary, again this week to urge him to support the company.

Attempts to change Lloyd's Bill 'a wrecking operation'

BY JOHN MOORE

A SENIOR member of the 16-strong ruling committee of Lloyd's of London yesterday condemned last minute moves at Lloyd's to force changes in the Bill of Parliament for improving the market's self regulation as "a wrecking operation."

Mr Peter Miller, a member of the Lloyd's committee who has been responsible for steering the bill through Parliament, said: "We have amended the Bill as far as we can. But there comes a time when you have to stand and fight. It is unlikely that there will be further compromise."

The Bill is due for consideration in the Commons on Wednesday in a three hour debate before it has a Third Reading. So far 29 amendments have been drafted by the Bill's opponents in Lloyd's and circulated to MPs.

At the weekend there was a surprise initiative by two opposing factions in the Lloyd's community who joined forces to challenge the Bill. Mr Kenneth Grob, chairman of Alexander Howden, the UK broker, which has been taken over by Alexander and Alexander of the U.S., joined forces with Mr Malcolm Pearson, Mr Pearson, who is not a member of Lloyd's chairs the broking firm Pearson Webb Springbett.

Mr Grob is opposed to a clause in the Bill requiring that Lloyd's brokers should sell off their shareholding links with Lloyd's underwriting agents, the groups which manage Lloyd's underwriting syndicates. Parliament identified conflicts of interest and sought the separation after hearing a petition, which was in part financially supported by Mr Malcolm Pearson.

Mr Grob and Howden failed to have the rule changed when they mounted their own petition. Now, ironically, Mr Grob and Mr Pearson have joined forces to seek further changes to the Bill at Lloyd's.

Mr Pearson is opposed to an immunity clause in the Bill which grants a new Lloyd's council protection from legal suits for damages by any of its members. He wants it dropped. Mr Grob wants the mandatory sale of underwriting interests scaled.

Lloyd's is standing firm. It has been taken over by Alexander and Alexander of the U.S., joined forces with Mr Malcolm Pearson. Mr Pearson, who is not a member of Lloyd's chairs the broking firm Pearson Webb Springbett.

Treasury 'denying access to EEC coal conversion funds'

BY MAURICE SAMUELSON

BRITISH industry is being denied access by the Treasury to millions of pounds of low-interest EEC funds which could be used for converting factories to coal from dearer oil or gas.

The Treasury's refusal to accept this argument is said to have perplexed EEC representatives who have said the money will be used eventually by other Community states for reducing dependence on oil if not done so by Britain.

The coal industry has been suggesting it would be easier if the EEC funds were channelled to Britain through private finance houses rather than through the Treasury and that the cost of exchange risk cover would be cheaper if this were done.

Boiler-making companies, meanwhile, are rather more hopeful about the Treasury's attitude towards proposed changes in Britain's own grants scheme for coal conversion by industry.

Under the scheme, launched last March, the Government offers up to 25 per cent of the cost of switching factory boilers from oil to coal. Less than £1m has so far been paid out to applicants, although a lot more is said to be in the pipeline.

The National Coal Board and the Departments of Industry and Energy, want the grants to be made available for projects which replace gas as well as oil by coal and for fitting furnaces and other non-boiler installations.

The slow start to the scheme, for which £50m is available over two years, is blamed by the Industry Department on the bleak investment climate and companies' difficulty in finding the remaining 75 per cent of a capital project not covered by the grant.

marked for job creation but little more than a third, it has been suggested, would be taken up under this broad heading.

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Impact of interest movements

BY MARK MEREDITH IN EDINBURGH

THE IMPACT extreme swings in interest movements could have on a company's profit and loss account was reason enough for corporations to take an interest in the financial futures market, according to Mr Ian Lough, deputy manager of the cash-management and treasury department of Imperial Chemical Industries.

He spelled out the corporate view of the London International Financial Futures Market (LIFFE) at a seminar on the market, organised by the Bank of Scotland and the British Linen Bank in Edinburgh. The futures market is due to open next September.


BMK report

THE FINANCIAL TIMES would like to point out that a report in early editions on Friday, concerning BMK, the Kilmarnock-based carpet manufacturer, was incorrect.

BMK has not gone out of business. Production is continuing and all orders are being met. The joint receivers have stated that advanced negotiations are continuing with a potential purchaser and they are hopeful of selling the business.

In a week when the board makes its decision on word-processing... what's your point of view?

No comment



For or against? The answer in black and white in the FT on Thursday.

Postal charges up today

BY MARK WEBSTER

FROM TODAY it will cost an average of 9.3 per cent more to get the most from your post.

The latest Post Office increases — the first for 13 months — takes the cost of a first class letter to 15p and second class to 12p. The Post Office said yesterday it intended to hold inland rates unchanged for a year.

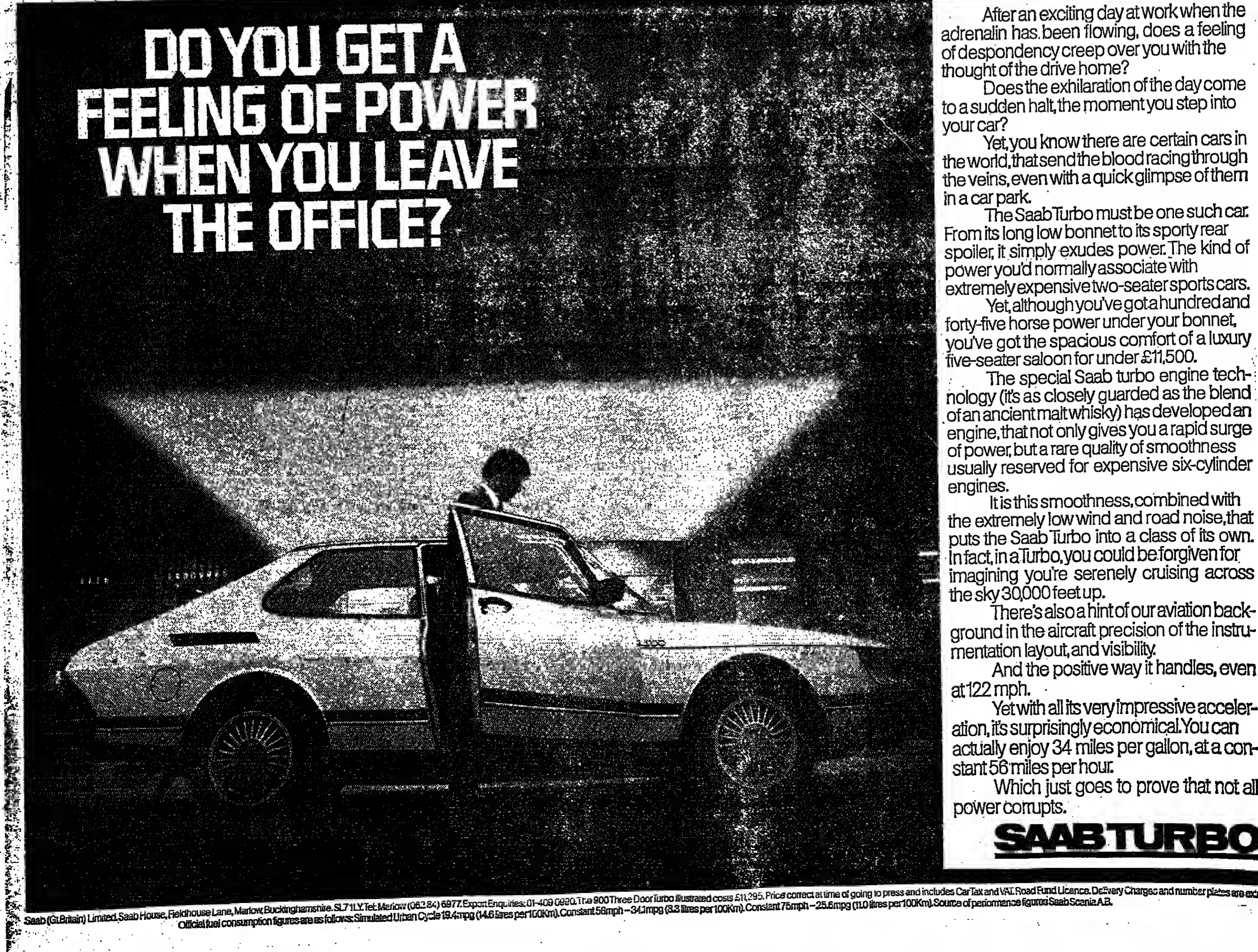
Bulk mail users will not have to pay the increases for a further two months, a move to prevent the volume of mail from falling.

After the January 1981 rise the volume of mail actually increased. The Post Office said this was because of its vigorous marketing policy and diversification of services.

The Post Office announced last year that it was on course for profits of £56m for the financial year ending March 31 1982. The latest increases will bring in an additional £26m in revenue for this financial year and £156m in a full financial year.

There is better news for transatlantic telephone callers today, however, with the introduction of cheaper calls to North America and the Caribbean. The average cost of a call to the U.S., Canada and the Caribbean countries will come down by a third.

DO YOU GET A FEELING OF POWER WHEN YOU LEAVE THE OFFICE?



After an exciting day at work when the adrenalin has been flowing, does a feeling of despondency creep over you with the thought of the drive home?

Does the exhilaration of the day come to a sudden halt, the moment you step into your car?

Yet, you know there are certain cars in the world, that send the blood racing through the veins, even with a quick glimpse of them in a car park.

The Saab Turbo must be one such car. From its long low bonnet to its sporty rear spoiler, it simply exudes power. The kind of power you'd normally associate with extremely expensive two-seater sports cars.

Yet, although you've got a hundred and forty-five horse power under your bonnet, you've got the spacious comfort of a luxury five-seater saloon for under £11,500.

The special Saab turbo engine technology (it's as closely guarded as the blend of an ancient malt whisky) has developed an engine, that not only gives you a rapid surge of power, but a rare quality of smoothness usually reserved for expensive six-cylinder engines.

It is this smoothness, combined with the extremely low wind and road noise, that puts the Saab Turbo into a class of its own. In fact, in a Turbo, you could be forgiven for imagining you're serenely cruising across the sky 30,000 feet up.

There's also a hint of our aviation background in the aircraft precision of the instrumentation layout, and visibility.

And the positive way it handles, even at 122 mph.

Yet with all its very impressive acceleration, it's surprisingly economical. You can actually enjoy 34 miles per gallon, at a constant 56 miles per hour.

Which just goes to prove that not all power corrupts.

SAAB TURBO

Saab (GB) Limited, Saab House, Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1LY. Tel: Marlow (06284) 6977. Export Enquiries: 01-409 0990. The 900 Three Door Turbo illustrated costs £11,295. Price correct at time of going to press and includes Car Tax and V.A.T. Road Fund Licence. Delivery Charge and number plates are extra. Official fuel consumption figures are as follows: Simulated Urban Cycle 18.4mpg (4.6 litres per 100km). Constant 56mpg - 34.1mpg (8.3 litres per 100km). Constant 76mpg - 25.6mpg (11.0 litres per 100km). Source of performance figures Saab Scania A.B.

UK NEWS

House prices 'held steady' last year by bank competition

HOUSE PRICES stabilised last year as a result of the banks moving into the housing finance market, according to Dr David Lomax, National Westminster's group economic adviser...

The substantial incursion of the clearing banks into house mortgage lending had not resulted in higher prices, and it had generated an element of stability in the market.

Inner-city regeneration plan may get state support

A JOB-CREATION and industrial development project being assembled by a black community group in an inner-city area is expected to receive government financial support.

Exchange controls policy defended

A STRONG defence of the Government's policies on exchange controls and on foreign companies investing in the UK will be mounted on Wednesday at a meeting of the National Economic Development Council.

British Gas launches exploration drive with Blackpool test drill

BRITISH GAS, drilling 28 miles off Blackpool on the west coast, this weekend bored into sandstone strata which the corporation hopes will be gas bearing in producible quantities.

LABOUR

ASTMS claim for takeover information denied by Burmah

BURMAH OIL yesterday denied a claim by the white-collar Association of Scientific, Technical and Managerial Staffs (ASTMS) that it could use a new law to demand information about Burmah's takeover bid for Croda International.

TUC calls for increased unemployment benefits

THE TUC is calling for an increase in benefits for people out of work and a reconstruction of the system, which it says was never designed to cope with long-term unemployment.

Small business tax concessions sought

INVESTORS who sell assets and lend to, or invest in the proceeds in, a small business should be allowed to roll over capital gains tax, according to the Small Business Bureau.

Industry largely unaffected by rail strike

THE RAIL STRIKE by the Associated Society of Locomotive Engineers and Firemen has caused more trouble for commuters than British industry, which has been largely unaffected by the weekly stoppages.

British holiday pay lagging behind Europe

MOST BRITISH workers are given a worse holiday pay deal by their employers than their counterparts on the Continent, according to the independent, but trade union-financed, Labour Research Department.

SDP-Labour coalition possible says union leader

THE PROSPECT of a Labour coalition with the Social Democratic Party has been raised by Mr Bill Sirs, general secretary of the Iron and Steel Trades Confederation.

LESLE, WEINERT & CO., INC. takes pleasure in announcing that SAMUEL ALBERTO YOHAI formerly of CITIBANK, N.A. has become a shareholder and managing director of our firm...

SWITZERLAND Luxury property for sale exclusively from the owner-builders. AIGLE - attractive medieval village at the entrance to the Rhone Valley.

Industry largely unaffected by rail strike Gareth Griffiths on the effects of the weekly stoppages. The plant has also been hit by a local dock strike and the weather.

British holiday pay lagging behind Europe. Most British workers are given a worse holiday pay deal by their employers than their counterparts on the Continent.

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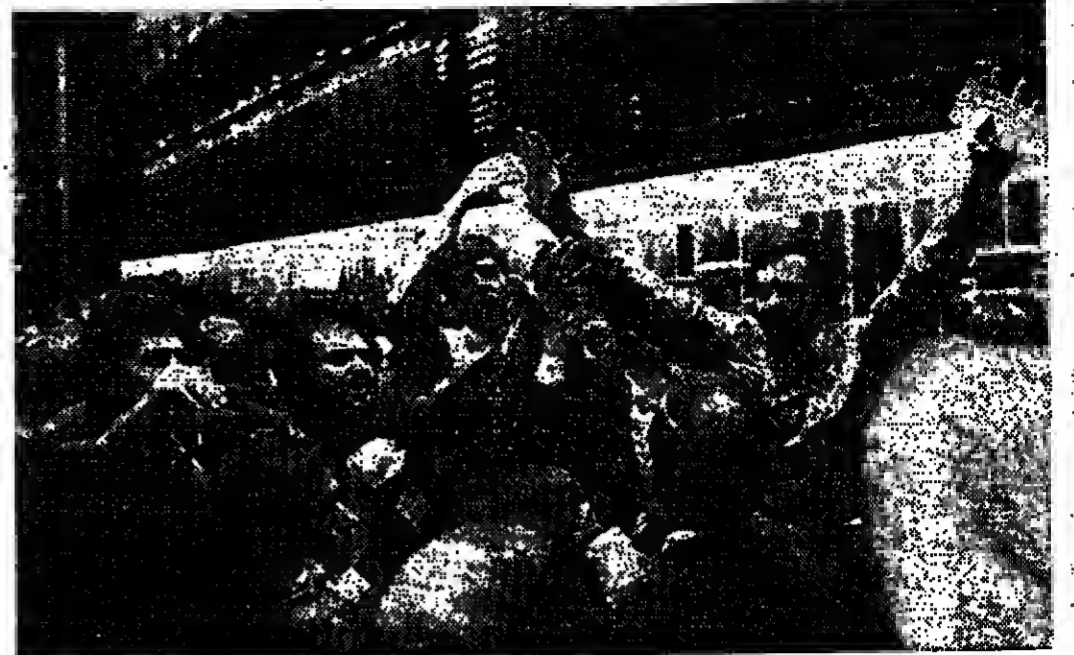
FINANCIAL TIMES SURVEY

Monday February 1, 1982

هفتاد من الشهر

U.S. Futures Markets

The expansion in U.S. futures trading slowed down last year after a decade of explosive growth owing to the depressed state of the commodity markets. But interest in financial futures continued to increase strongly and the industry is confident of further expansion in the years ahead.



"Organised chaos": dealing on a Chicago futures exchange

Money is the growing market

By John Edwards
Commodities Editor

AFTER TEN YEARS of explosive growth, turnover on the traditional U.S. commodity futures markets suffered a severe setback in 1981. The rapid expansion of the financial futures markets continued apace and looks likely to change the whole image of the industry. It results from general monetary instability and the desire of investors to move into basic new materials.

Futures trading is no longer confined to grains, porkbellies and other commodities. It is now more and more concerned with money—whose value fluctuates just as suddenly as any volatile commodity.

The setback in traditional commodity futures markets can be blamed almost entirely on the depressed state of the American and world economies, particularly in the agricultural sector where poor demand and bumper crops have resulted in huge surpluses which have

undermined the markets. However, one important factor depressing commodities—high interest rates—has helped promote the growth of financial futures to the extent that they are becoming the dominant markets. Last year, the Chicago Board of Trade Treasury Bond futures became the biggest single market with a turnover of nearly 14m trades.

Turnover on the International Monetary Market, a division of the Chicago Mercantile Exchange, jumped spectacularly, too, and the IMM scored considerable success with a launch of two new financial contracts—one for Certificates of Deposit and the other for Eurodollars. Many traders in the U.S. consider that the Eurodollar market, which is already widely used by overseas companies, has the greatest growth potential of all.

The expansion of financial futures is seen as bringing in a new set of players and building up a whole new image for the industry, far removed from the previous speculative fiascos in soybeans and silver.

Perhaps the most significant sign of the shape of things to come is the move by Morgan Guaranty Bank asking the Federal Reserve Board to permit a subsidiary of the bank to act as a broker in the precious metals and financial instruments futures markets.

Mergers between commodity trading companies, stock exchange companies and banking interests have already pointed the way towards financial institutions becoming increasingly involved in futures trading. The treatment of money as a

commodity is expected to broaden use of the markets to a much wider sector of the industrial and financial community.

Mr Hansen, of Cargill Investor Services, whose company is launching a counter offensive to British firms invading the U.S., by opening a London office, forecasts that corporate use of the futures markets will extend considerably in the years ahead.

Raw materials

Money is an international commodity, used by everyone, he points out. Just as most major commodity companies could not operate without hedging the value of their raw materials on the futures markets, so companies and financial institutions would be forced gradually to use futures for the purpose of protecting money.

The proposed development of futures markets for stock market indices also means that security and commodity investors will move closer together, a development that has already occurred in precious metals. Significantly, gold futures was one of the few commodity futures markets in which turnover rose last year.

An added attraction to futures trading in the U.S. is the new tax system, introduced last year. It is viewed by commodity trading firms as a bitter-sweet measure. The bitter part is that the previous concessions given for tax straddles, which enabled individuals and companies to "smooth" and often reduce their tax bills over a

number of years, has been withdrawn.

As warned by the industry, this appears so far to have resulted at least in a reduction of trading in the distant months on the futures market, since there is no longer any tax advantage to be gained from trading far ahead. An unfortunate result of this decline in liquidity in the distant months is that it is now more difficult for genuine trade hedging to be carried out as effectively in the past for long-term periods.

However, the "sweet" part of the new system is that tax liability on short-term gains has been reduced to a flat rate of 32.5 per cent. This compares with a previous rate of between 50 to 70 per cent and makes futures trading very competitive with tax rates paid on other forms of "investment."

Option trading, which is to be introduced on a three-year trial basis later this year on the U.S. exchanges, is also likely to bring in new business, since it reduces the acknowledged high risk involved in futures.

Commodity options gained such a bad reputation at the end of the 1970s that the Commodity Futures Trading Commission decided to ban them since it could not afford the time and expense involved to regulate them properly.

Option trading in traditional U.S. agricultural commodities, banned by law before the 1939-45 world war, still requires specific legislation by Congress. But the CFTC has decided that it is worth trying to reintroduce option trading on a trial basis in other markets in a new form.

They will be traded openly on the exchanges so that the premiums payable will be publicly known and it will in effect represent a sort of secondary futures market with the value of options varying in line with the situation in the particular commodity, and also subject to the strict rules and regulations laid down by the CFTC.

The attraction from the speculators' point of view is that the premium paid for options will represent the total risk involved. What is not certain yet is how much futures business will be siphoned off into options and how they will affect the futures markets themselves.

Each exchange is to be granted one option, normally on its most active market, to see what results. Commodity brokers feel this could be a very significant step in widening opportunities for known-risk futures trading and could result in a large volume of extra business, both from speculators and the trade granting options, in the years ahead.

Philosophy

There is considerably more support for the role of the Commodity Futures Trading Commission, which regulates the markets, since the accession of the new chairman, Mr Philip Johnson. His stated policy of more enforcement, but less regulation fits in well with the philosophy of commodity traders.

They also welcome his support for more self-regulation

via the proposed National Futures Association, as well as his efforts to speed up approval of new contracts.

Less popular, indeed very unpopular, are suggestions that the CFTC may be financed by users' fees—in other words a charge on the industry in addition to the cost of supporting the National Futures Association.

However, although there are continued complaints about over-regulation driving business abroad (mainly to London) it is also recognised that the CFTC does provide the regulatory credibility required to attract business, especially from the financial community who shied away from the commodity "gambling dens" in the past before the introduction of futures for financial instruments.

A clear pattern now seems to be emerging after the massive inflow of interest in futures trading during the past decade. Financial futures were developed to meet the need to protect the value of money in a world where fluctuating

currency values and interest rates threatened to undermine the whole monetary system.

Chicago, the traditional home of commodity futures trading, has won decisively the battle to provide the new financial markets with the much-publicised New York Futures Exchange, launched by the New York Stock Exchange, falling dismally.

The failure of NYFE, mainly because of a lack of local market makers is an ominous precedent for the planned London Financial Futures market. Liquidity is all, and for any market to succeed it must have the support of entrepreneurs prepared to make a market at all times.

However, New York has triumphed in winning control of the precious metal markets for gold, platinum and silver, as well as retaining its pre-eminent role in international commodity markets, apart from grain.

New York has established a leading role so far in energy futures, with its highly-successful heating oil market, but is shortly to be challenged by

Chicago.

Another battle to be fought will be over the planned stock indices futures markets. The first contract will be introduced by the small Kansas City Exchange, which put in the first application to the CFTC. But future indices contracts are planned by Comex in New York, NYFE possibly with the backing of the Chicago Board of Trade via an electronic linkage aimed at helping the survival of the New York exchange. And also by the Chicago Mercantile Exchange, which is planning to form a new IOM (Indices and Options Market) division.

Whatever the outcome of these battles, it is clear that futures trading in the U.S. will continue to grow even if the markets develop into very different creatures that they have been in the past.

The depression in the traditional commodity markets cannot last for ever, but the main source of expansion is undoubtedly the extra interest in financial instruments that could change the complete structure of futures exchanges in the years ahead.

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Editorial production by Catherine Darby

Specify IMM for Eurodollars:

the only viable international short-term interest rate futures market.

The IMM has added a Euro-dollar Time Deposit contract to its successful family of financial futures contracts. International money managers now have a dynamic new dimension for offsetting interest rate and cash market risks.

Since 1972 banks, government securities dealers and managers of institutional funds have used our instruments to hedge

their cost of business. First, our currency contracts eased the cash risk of doing business anywhere in the world. Then, our T-bill* contract allowed for domestic short-term interest rate security. Third, and most recently, our C.D. contract added flexibility to the domestic short-term interest rate market.

And now our latest addition, Eurodollars, provides even

more flexibility and interplay between all aspects of domestic and international finance. Professionals consider liquidity a key factor before deciding to enter a market. Liquidity assures the best prices and fastest order filling. The IMM, because of its huge volume (94% of all short-term interest rate futures are traded here) is the most liquid interest rate market.

Because of the unique spread and arbitrage relationships now possible, we have redesigned our trading floor to insure the quickest order filling and to facilitate trading between T-bills, C.D.'s, currencies and Eurodollars. As a result of the liquidity, inter-relationships and flexibility, the only logical place to enter your order is the IMM. Ask your broker for a copy of our new booklet, "Inside

Eurodollar Futures," or write to the International Monetary Market, 444 West Jackson Boulevard, Chicago, Illinois 60606. Or call one of the following IMM numbers:

Chicago	312-930-3048
New York	212-363-7000
London	01-920-0722

*IMM futures contracts in U.S. government debt are not obligations of any department or agency of the U.S. government.

INTERNATIONAL MONETARY MARKET
Division of Chicago Mercantile Exchange
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U.S. FUTURES MARKETS III

'Let the market decide if a contract survives'

Mr Philip McBride Johnson, had served as chairman of the Commodities Futures Trading Commission (CFTC) when he opened his Wall Street Journal, one morning in December and found an editorial urging the dissolution of his agency.

The 43-year-old former commodities attorney had left a thriving Chicago practice with a dollar income in the six figures to take on the \$33,000-a-year post as chairman of the much-criticised Commission. He believed that the CFTC could find a way to provide "sensible regulations without stifling the commodity industry's development."

Unlike most who are lured to Washington for the prestige and power of high-level positions and clinging to both until the bitter end, Mr Johnson had spurned the chance for a longer term and had taken the job for only three years.

"I wanted a more rounded education," he said in a recent interview. "And I had never developed the animosity felt by the rest of the industry for the CFTC."

Mr Johnson's arrival on the Commission heralded a new era of activity as he broke a backlog of long-neglected actions. The Commission seemed to be rising in industry and public esteem when the Journal editorial appeared.

"The Ghost of CFTC past still haunts," the chairman concluded in a recent letter to Mr E. de la Garza, chairman of the House agriculture committee.

Within the futures industry, Mr Johnson's performance as chairman has been widely applauded.

"People in the industry feel so much better about the Commission," says Miss Margaret Murray of Schmitzer Associates, economic consultants. "He's been doing beautifully at deflating all potential issues in re-authorization."

The CFTC must be re-authorized by Congress this year. Hearings are scheduled to begin this month and are an opportunity for the Commission's critics on Capitol Hill to make changes in its direction—or political key.

One of the major issues scheduled for legislative scrutiny was a jurisdictional dispute over financial futures between the CFTC and the Securities Exchange Commission (SEC). Mr Johnson moved quickly to defuse the controversy. Rather than fighting it out in Congress or in the courts, he held a series of private meetings with Mr John Shad, the SEC chairman and the two negotiated a compromise.

Under the agreement, which both chairmen want Congress to approve, the CFTC was given jurisdiction over the trading of futures contracts and options on futures contracts. The SEC will regulate options directly on most financial instruments. Some futures contracts on individual securities were placed under a moratorium to await further study.

For their efforts to settle the issue peacefully, the two chairmen received more criticism in the form of a sound drubbing in the Washington Post.

"In an extraordinary series of secret meetings, two top Administration regulators have drafted a far-reaching agreement that will allow risky new investments to be sold to the public and will directly benefit the business the regulators formerly worked for," the Post reported.

Noting that Mr Johnson had formerly represented the Chicago Board of Trade, the Post suggested that the meetings had "skirted" a federal law requiring government agencies to hold public hearings. It complained that "it was not even known that the two commissioners had formally discussed the controversial issues, let alone made a decision until last



Mr Philip McBride Johnson, chairman of the Commodities Futures Trading Commission

Monday when Shad and Johnson held a joint Press conference.

The meetings, although not the substance of the talks, had been reported for months in the Press. "It makes me mad just thinking about it," said Mr Johnson of the article.

A major thrust of Mr Johnson's chairmanship has been to clean up the backlog of new contract requests, some of which have waited years for commission approval. Of the 50 contracts sought, 20 were approved in his first six months of office—compared with two in the first half of 1981.

"People here feel Johnson has shown unprecedented leadership," says Mr Harold Bradley, director of marketing at the Kansas City Board of Trade, where approval is expected this month of the first U.S. stock index futures contract.

The exchange, which now has only one other active contract—hard winter wheat—had submitted the request four years ago. The delay, says Mr Bradley, has severely handicapped the Board of Trade, which has had nothing

to offer at a time when financial futures have been booming on the other exchanges.

Mr Johnson, a free market man, believes in approving all contracts which seem viable. "Let the market decide if a contract survives," he says.

In keeping with the philosophy of the President who appointed him, Mr Johnson leans away from blanket regulation and instead has been pushing for strict enforcement of rules already enacted.

To counter consumer fraud, he has been enlisting the aid of state law enforcement agencies and has joined with several states in bringing joint actions against commodity swindlers.

Mr Johnson was one of the prime movers in the formation of the National Futures Association, an industry self-regulating body which will relieve the overburdened CFTC of some of its functions. Finally approved in September, after years of disputes, the NFA will perform financial audits, handle an arbitration system for customer complaints and investigate sales practices. Mr Johnson estimates that it will reduce the CFTC workload by about 10 per cent.

Although backing the introduction of speculative limits on all markets to stop big positions being built up, Mr Johnson does not favour the idea that the Agency should take over the fixing of margins. That job, he claims, is best left to the markets who are far more flexible in responding to any changes needed.

A year ago, it seemed quite likely that the CFTC would either disappear or be merged when coming up for re-authorization by Congress. Mainly as a result of the new image presented by Mr Johnson, it seems more than likely that the CFTC will be given a new lease of life.

N.D.

Swift action by the new-look Commission

THE Commodities Futures Trading Commission (CFTC), which regulates the U.S. futures industry, bears only a superficial resemblance to the CFTC of a year ago. Gone are the fractious meetings from which few decisive actions emerged; gone is the policy draft arising from the varying philosophies of the four commissioners.

For the first time since 1978, the CFTC now has a full roster of five commissioners. The Carter Administration had never gotten around to appointing a fifth member, so the Reagan administration took full advantage of the oversight to remodel the agency along lines consistent with the President's convictions about free trade.

Mr Philip Johnson, a knowledgeable Chicago commodities attorney, took over the chairmanship in June, and Democrat James Stone, who had been widely disliked in the industry as well as by the other commissioners, stepped down to serve as a commission member. In November Miss Susan M. Phillips, a Republican economist, joined the CFTC, to be followed in early January by Mr Kalo Hineman, a Republican cattleman and wheat farmer. The fifth member and second Democrat is Mr David Gartner, who is due to leave the Commission in April and, because Mr Johnson is a political independent, could be replaced by a Republican.

Absenteeism

In relative amity the Commission has moved on a multitude of major issues which have been in abeyance for a long time. Foremost of these have been the approval of new contracts, many of which have been delayed for years.

Five years after the sale of commodities futures options were first proposed and three years after they were mandated by Congress, the Commission is now launching a three-year pilot options trading programme. Under Chairman Stone, who tended to favour heavy regulation, a programme had been bogged down in a dispute over a customer suitability rule, and when the plan was finally resurrected in April, the Commission proposed to allow the sale of futures options on only sugar, gold and interest rates.

When the programme was approved under Chairman Johnson, it emerged in an expanded form, allowing options futures on hard and soft commodities as well as financial instruments. Each exchange will be permitted to offer options on one contract, providing that it has a designated futures contract underlying the option. The Commission moved swiftly last year on another

long-awaited action: approval of a National Futures Association (NFA), a self-regulatory organisation like the National Association of Security Dealers which, with the Securities Exchange Commission (SEC), monitors the securities industry.

A large degree of self-regulation has always been favoured by the industry. As explained by Mr Donald M. Mennel, chairman of the board of the Mennel Milling Co, a long-time Chicago Board of Trade member, "those intimately involved through market participation know potential conflict areas where irregularities may exist. Symptoms of abuse will show more clearly to the experts. The intelligence network will work more nimbly as a result and surveillance will be enhanced by this first-hand monitoring."

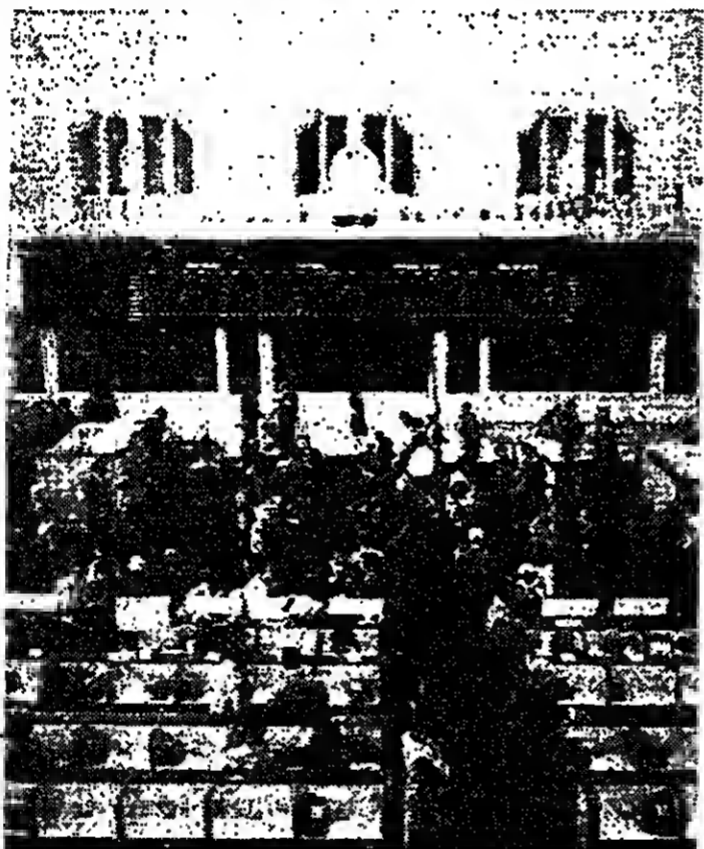
The NFA is designed to free Commission resources for supervisory functions, like the reviewing of proposed futures contracts and exchange rules. Initially, it will maintain surveillance over non-exchanged futures commission merchants and the handling of funds by commodity pool operators. Eventually, it may administer qualification examinations to off-exchange commodity professionals and draw up uniform rules on the safe of commodity futures.

The Association will include in its membership all industry participants which deal with the public, and membership will be compulsory.

Mr Leo Melamed, president of the NFA, sees the Association as the next step in the evolution of the U.S. futures markets. Self-regulation has become complex, he says, with 11 autonomous exchanges, each with its own rules. Brokers belonging to more than one exchange may confront conflicting requirements.

"Our industry has reached the level of national and international visibility and participation that seems to demand one form or another of a unified national association," he says.

Despite its accomplishments last year, the Commission has not been without its critics, especially in Congress which produced a report condemning the CFTC's handling of the 1979-80 silver market crisis. The House government operations committee report concluded that "faced with dramatic and disorderly market conditions, the CFTC took none of the specific preventative or emergency actions allowed under the Commodity Exchange Act." The law establishing the Commission in 1974, Congress had specifically identified one commodity, silver, as needing immediate and effective regulation. "In spite of this mandate," the report complained, "the



The New Orleans futures exchange, launched in April, 1981

Commission took no action to regulate silver for seven years, including the imposition of speculation position limits which Congress had anticipated."

The Commission moved quickly again to defuse the criticism, however. Even before the release of the report, it passed a heavily-worded rule requiring the imposition of speculation limits by each exchange. That rule, along with revised minimum net capital requirements for brokerage houses and a rule requiring additional capitalisation for undermargined accounts, is designed to help prevent a re-occurrence of a crisis like the silver collapse.

In one area, Philip Johnson's commission has not moved with speed. It has not yet acted, and may not act, on a long-proposed foreign traders' rule, which would require a broker who carries an amount for foreigners to obtain certain information on behalf of the Commission. If the Commission were not given the information on request, the broker would be required to liquidate the customer's account.

Information

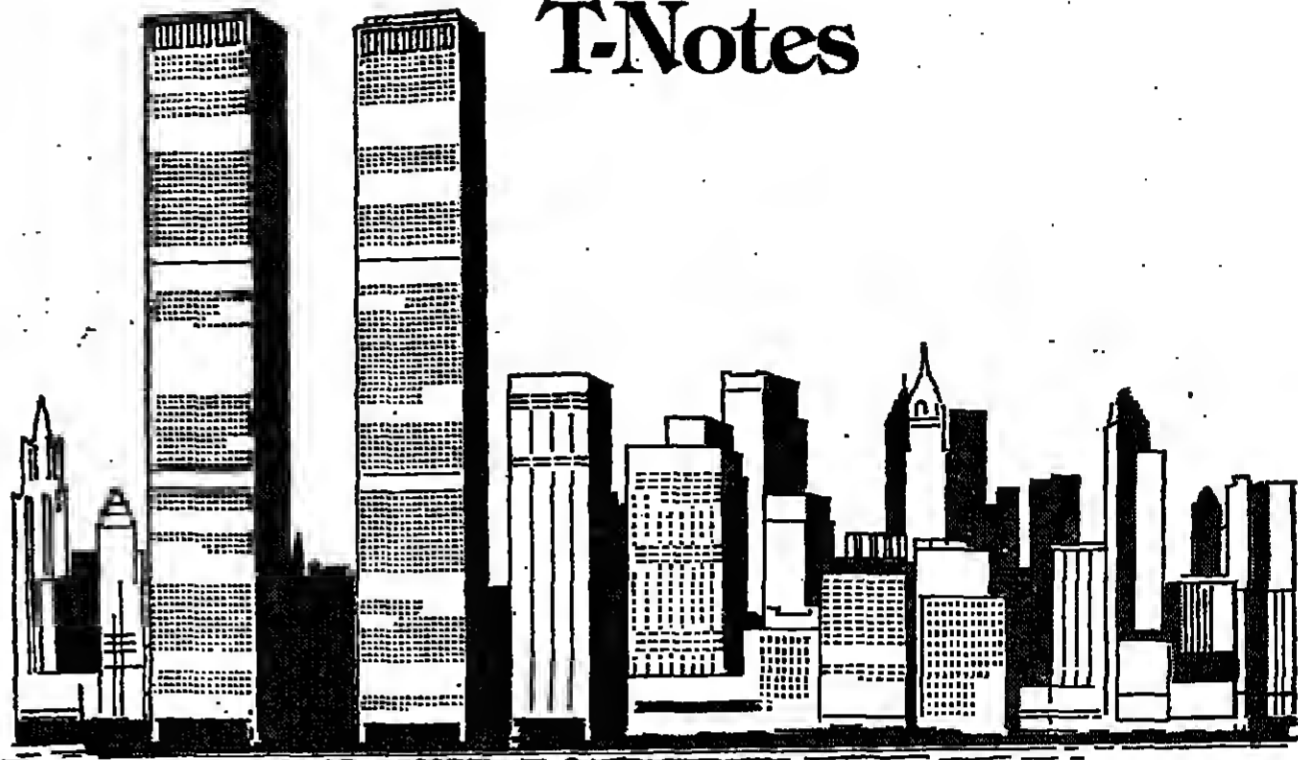
The proposal has much support among American traders who feel foreigners should be subject to "equal treatment" in demands for information disclosure. However, Philip Johnson and other industry leaders worry that the rule would deter British and Swiss traders who are required by their nations' laws not to give out confidential information. They believe the rule would discourage arbitrage between the U.S. and London and would cripple the price levelling mechanism which keeps U.S. and foreign market prices roughly in line with each other.

Mr Johnson has been studying an overall information gathering rule for all traders as an alternative to the foreign trader's rule, and he has been meeting with officials at the British Embassy in an attempt to work out other procedures. The Commission has one of its toughest tests yet to come.

N.D.

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Gold Silver Copper T-Notes



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U.S. FUTURES MARKETS IV

On these two pages our correspondents review the performance of and prospects for the futures exchanges

Triumph in financial futures for mid-West



Chicago International Monetary Market (IMM) division of the Chicago Mercantile Exchange, which claims to have initiated financial instruments futures with the introduction of the foreign currency markets nearly 10 years ago.

The CD contract was claimed to have the most successful launch for any new market and turnover has grown rapidly. Volume on the new Eurodollar contract has not been so great, but the IMM point out that the open interest is at a high level indicating that users of the market are establishing longer positions than the very short-term trades by "locals" in other markets.

The Board of Trade is still, however, by far the biggest Exchange. Although its famed grain and soybean contracts suffered severe setbacks last year as a result of the agrarian depression, the long-term Treasury Bonds market expanded enormously and it has the biggest Ginnie Mae (national mortgage loans) contract.

Members of these divisions will be offered the right to purchase IOM membership at a reduced rate of \$30,000 and a further 200 seats on the IOM at a cost of \$80,000 each will be offered to non-members.

The Board has temporarily shelved plans for a Eurodollar contract on the basis that it would be competing with short-term interest markets, where the Mercantile Exchange has established a leading role.

It is also proposing to introduce a stock index contract, possibly based on the New York Stock Exchange index. Talks have been going on with the New York Futures Exchange, which could be expected to have prior right to its parent's index, to establish an "electronic linkage" between the two exchanges.

The re-election of Mr. Leo Rosenthal, who initiated the talks with the New York Exchange, as chairman of the Board of Trade suggests the bid to establish a linkage, and thereby probably save NYFE from extinction, will go ahead.

Prospects for Ginnie Mae are somewhat clouded, with the Administration believed to be keen to phase them out in line with a general reluctance to fund fixed-interest

Language of the trade, from the left: sell, buy, 1/2 cent, 1/4 cent, 1/8 cent, 1 full cent

CHICAGO BOARD OF TRADE

Table with columns for Jan-Dec 1981, Jan-Dec 1980. Lists various commodities like Wheat, Corn, Soybeans, Silver, Gold, etc. with volume data.

CHICAGO MERCANTILE EXCHANGE

Table with columns for Jan-Dec 1981, Jan-Dec 1980. Lists various financial and commodity contracts like Fresh eggs, Potatoes, Live hogs, etc. with volume data.

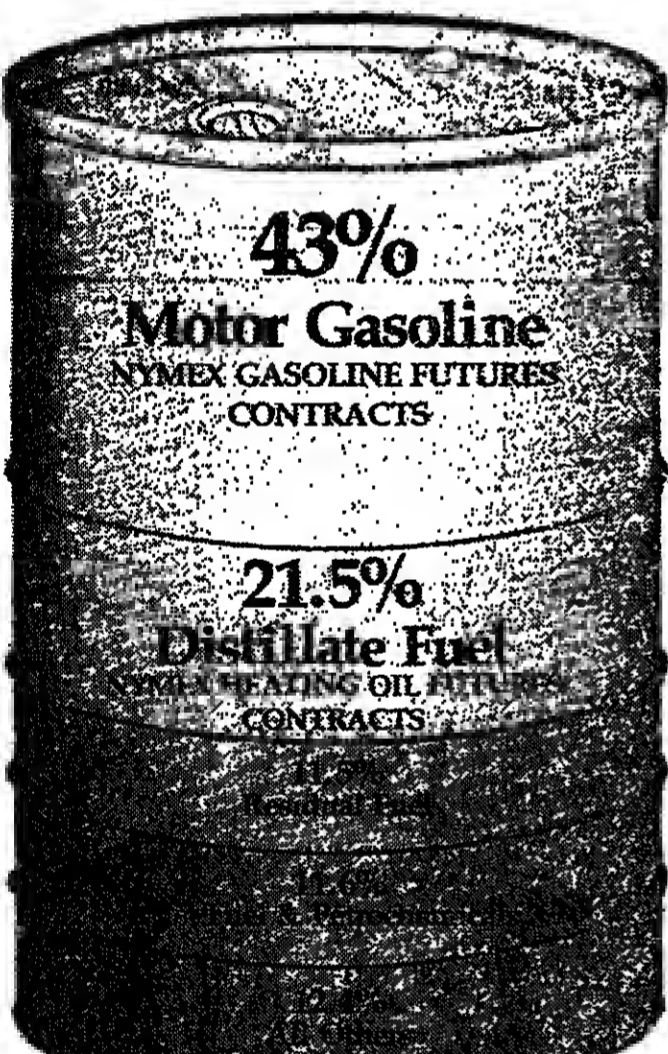
MIDAMERICA COMMODITY EXCHANGE

Table with columns for Jan-Dec 1981, Jan-Dec 1980. Lists commodities like Wheat, Corn, Oats, Soybeans, Silver, Gold, etc. with volume data.

MINNEAPOLIS GRAIN EXCHANGE

Table with columns for Jan-Dec 1981, Jan-Dec 1980. Lists commodities like Wheat, Sunflower seeds with volume data.

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And coupled with the recently introduced gasoline and Gulf Coast No. 2 heating oil contracts, NYMEX makes it possible to hedge up to 65% of every barrel of crude oil.

NYMEX is the petroleum futures Exchange. And for refiners, distributors, marketers and major consumers of petroleum products, NYMEX heating oil and gasoline futures contracts are proven risk management and price discovery tools.

For more information on NYMEX petroleum futures contracts, contact your commodities broker or the New York Mercantile Exchange.

Form for New York Mercantile Exchange contact information including name, phone, address, and city/state/zip.

One ingredient still missing

New Orleans

NEWEST, and by far the most elegant, futures exchange in the U.S. was launched last April in New Orleans. Housed in the historic Board of Trade building, the new Exchange provides almost ideal trading conditions: modern communications mixed with pleasant, comfortable surroundings. It has the only international futures market for rice, (both milled and rough) and special contracts for short staple cotton and soybeans, geared to the export markets and the crops produced in the fertile Mississippi delta.

Apprenticeship

Mr Robert Martin, president of the Exchange, points out that New Orleans can provide the ideal apprenticeship for traders coming into futures. But he is keen to ensure there is also sufficient trading experience around to guide the fledgling exchange in the right direction.

Nevertheless, Mr Martin and members of the Exchange are confident that New Orleans will take off once better times arrive for the farming industry. New Orleans is a main export outlet for rice, cotton and soybeans, so its prices, incorporating freight charges to the gulf ports are particularly relevant for buyers overseas.

NEW ORLEANS COMMODITY EXCHANGE

Table with columns for Jan-Dec 1980, Jan-Dec 1981. Lists commodities like Rice, milled; Rice, rough; Cotton; Soybeans with volume data.

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U.S. FUTURES MARKETS V

The winners in oil and metals

New York

New York has finally thrown in the towel and conceded victory to Chicago in the financial futures business.

Chicago's commodity exchanges, which barely a year ago were still bragging they would throw Chicago's dominance in financial futures trading, have all but given up.

In silver trading, Comex also wiped out the Chicago Board of Trade (CBOT), retaining what silver market has been left after all the bad press and the slump in the price of the metal.

The main reasons why the Chicago Board of Trade has lost out in the silver battle with Comex are the changes in tax legislation introduced by the Reagan administration which have hit the traditional, over-the-counter activity on the CBOT and the fact that the Hunt brothers of Texas, oil billionaires who once held large positions in Chicago, have now been driven out of the market.

At the same time, Comex traders believe Chicago made a major error in splitting its silver contract so that the 5,000 ounce contract is trading simultaneously with the smaller 1,000 ounce contract.

Copper, too, managed to hold up in the face of generally depressed conditions with copper prices plunging and major production shut down by U.S. producers.

Financial futures were at one stage the rage in New York as they currently seem

to be in London. The New York exchanges pumped up the propaganda about financial futures, claiming contracts in a variety of financial instruments from treasury bonds to certificates of deposits would become the hottest game in town.

The talks broke down and NYFE subsequently reached an agreement with the Chicago Board of Trade, no less, whereby the two exchanges would be electronically linked.

The Mercantile Exchange introduced its first heating oil futures contract in 1978. Trading has since grown substantially with the average daily volume exceeding 4,000 contracts last year and hitting peaks on certain days of more than 9,000 contracts.

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NEW YORK COMMODITY EXCHANGE

Table with columns for Jan-Dec 1980 and Jan-Dec 1981, listing volumes for Copper, Zinc, Silver, Gold, Treasury bills, Treasury notes, and GNMA mortgages.

NEW YORK COFFEE SUGAR & COCOA

Table with columns for Jan-Dec 1980 and Jan-Dec 1981, listing volumes for Coffee, Sugar No. 11, Sugar No. 12, and Cocoa.

NEW YORK COTTON, CITRUS & PETROLEUM

Table with columns for Jan-Dec 1980 and Jan-Dec 1981, listing volumes for Cotton No. 2, Orange juice, and Propane.

NEW YORK MERCANTILE EXCHANGE

Table with columns for Jan-Dec 1980 and Jan-Dec 1981, listing volumes for Palladium, Platinum, U.S. silver coins, Gold, and various oils and gasolines.

NEW YORK FUTURES EXCHANGE

Table with columns for Jan-Dec 1980 and Jan-Dec 1981, listing volumes for Treasury bills, Treasury bonds, Domestic CD, Pound sterling, Canadian dollar, Deutsche Mark, Japanese yen, and Swiss franc.

as well as for delivery in New York.

The Merc also received government permission last autumn to become the first U.S. exchange to list futures contracts in petrol.

The exchanges are also bullish about the prospects

of option trading. A pilot programme approved by the Government now allows commodity exchanges to offer an option contract in one of their underlying contracts.

Paul Betts

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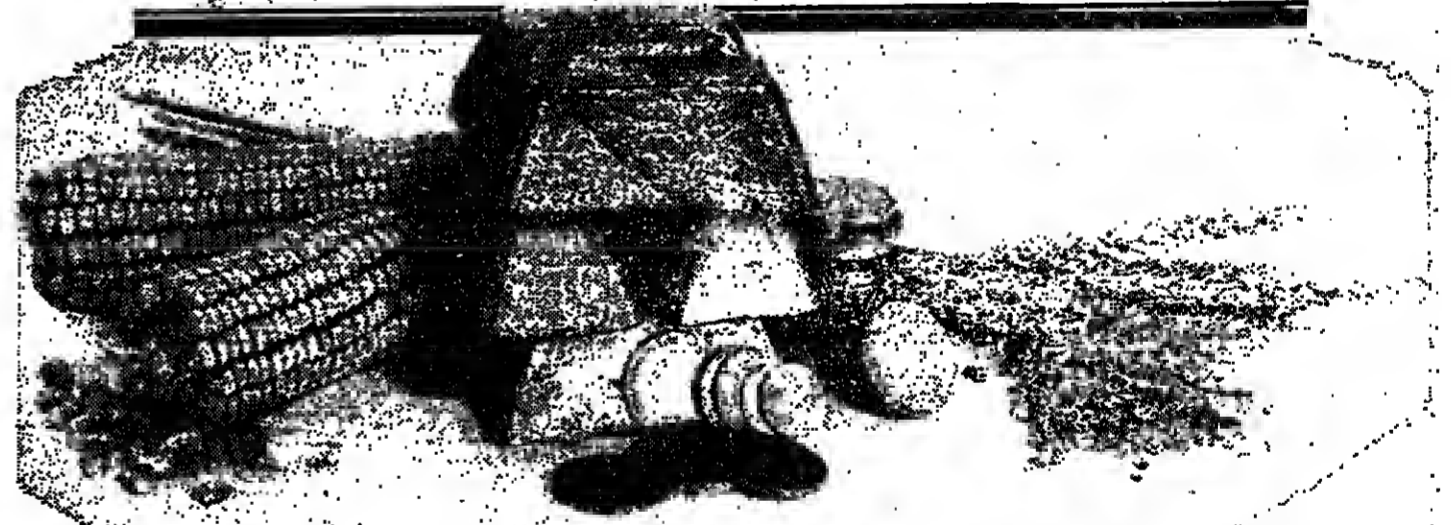
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Leader in stock index futures

Kansas

KANSAS CITY and the Minneapolis Grain Exchange are small fry compared with the giant Chicago futures exchanges.

As a result of being ahead of its time, Kansas City will have the advantage of introducing the first stock index futures contract.

The proposed Kansas contract is to be based on a value line composite average, which it is claimed provides an accurate barometer to total stock market

movements and can, therefore, be used to protect the value of share portfolios.

The Eurodollar contract launched by the Chicago Mercantile Exchange has already introduced the principle of cash settlement—this is the value of the contract as it expires—opening the door for futures markets in other areas, such as stock indices, where no delivery is possible.

The advantage of launching the first futures contract, however, should give Kansas the lead in this totally new sector. If it proves a success the extra business gained could boost the prospects for Kansas considerably.

Meanwhile the existing Kansas futures contract for hard winter wheat continues to attract sizeable trading interest with turnover topping 1m contracts again last year, in spite of the depression in the grain industry.

KANSAS CITY BOARD OF TRADE

Table with columns for Jan-Dec 1980 and Jan-Dec 1981, listing volumes for Wheat and a total including 290 sorghum contracts.

Futures world

The brand-new weekly news magazine for everyone involved with international futures trading. Futures World reports weekly (every Thursday) on all the major markets including oil, gold, metals, financial instruments, softs (mainly coffee, cocoa, sugar, grain) in the exchanges in Chicago, New York, London, Paris, Sydney and the Far East.

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Atlas Copco Compressed Air Technology

Sony in the groove with compact disc

ELAINE WILLIAMS reports on the compact audio disc developed by Philips in the Netherlands and Sony in Japan.

Each compact disc contains more than 5bn digital sound signal bits. This does not include all the extra bits used to control the speed, detect errors and provide information about the disc.

A NEW type of audio disc to utilize the palate of jaded music lovers will be introduced before the end of the year.

This 4 1/2 inch diameter disc can play an hour of music on only one side and cannot wear out because it is scanned by a laser.

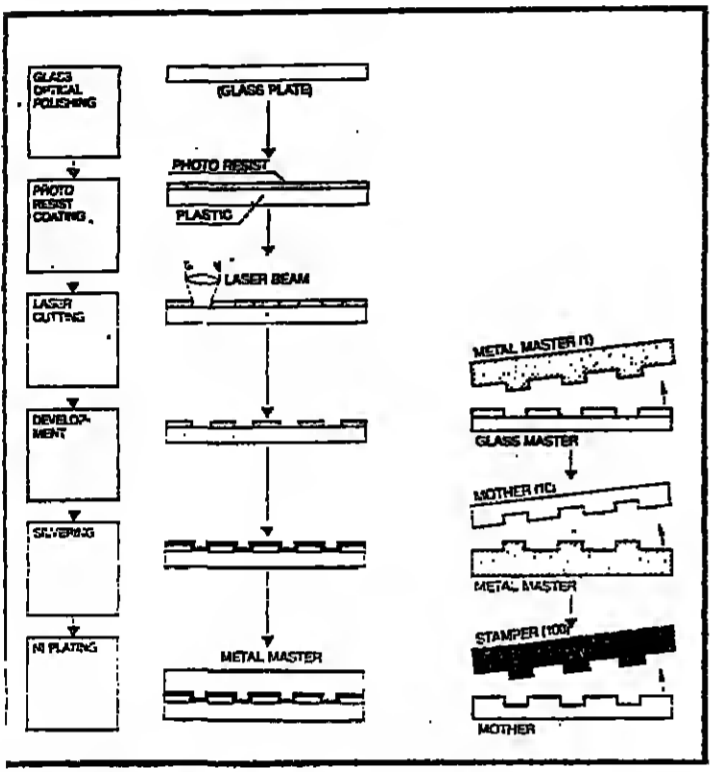
Sony is likely to be the first to introduce the compact disc system in November followed by Philips in spring 1983.

So far 30 audio manufacturers including Grundig, Bang and Olufsen, Hitachi, Sanyo, Toshiba, Akai and Sharp have agreed to conform to a common standard for the disc.

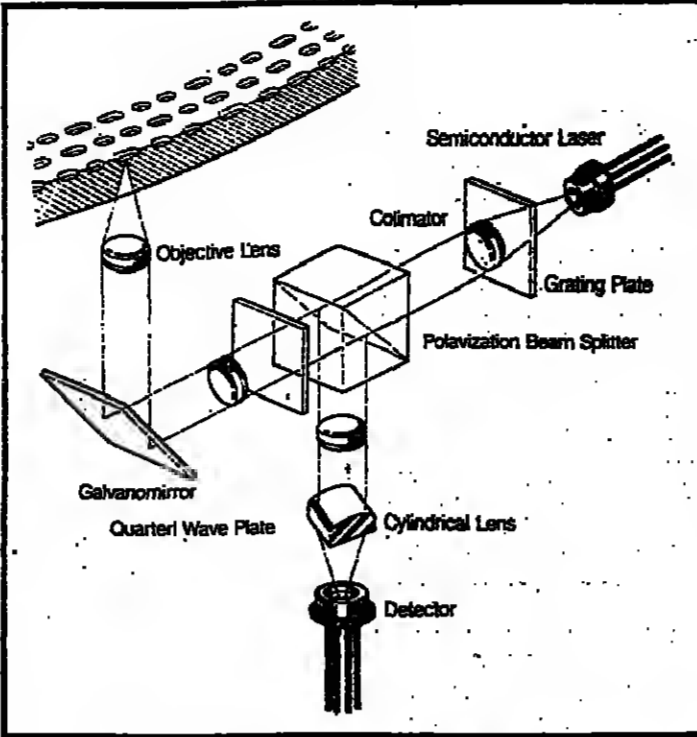
with its own system based on its VHD videodisc systems which is to be introduced later this year.

The music and hi-fi equipment industries welcome this new technology because both markets are in the doldrums.

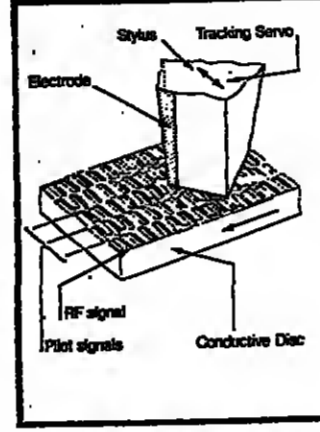
Sound is encoded on the disc, in the form of microscopic pits and flat areas along a 2 1/2 mile track on the 4 1/2 inch diameter disc.



Disc manufacture is akin to conventional record production once the glass master has been produced. A laser beam forms the tiny information pits on light sensitive lacquer covering the glass.



The optical approach adopted by most companies uses a laser beam which reads the pits and spaces between as a digital code.



JVC uses a metal stylus which runs over the disc's surface. Tiny pits carry the data which is detected as varying electrical capacitance.

Mr Gerry Harrison, who will be responsible for the launch of the system in the UK, says that players will cost about £300 initially.

The players will link into the existing audio hi-fi amplifiers and do not require additional expenditure.

According to Gerry Harrison: "We've done a lot of fiddling around with the conventional record systems to reduce these unwanted sounds."

In the professional music studio many songs are already recorded digitally because it produces a better quality master for mass production.

companies such as PolyGram in Germany and CBS/Sony in Japan which are already installing the disc pressing equipment.

Mr Harrison said that the discs can be produced in two ways, by injection moulding or by the 2P process.

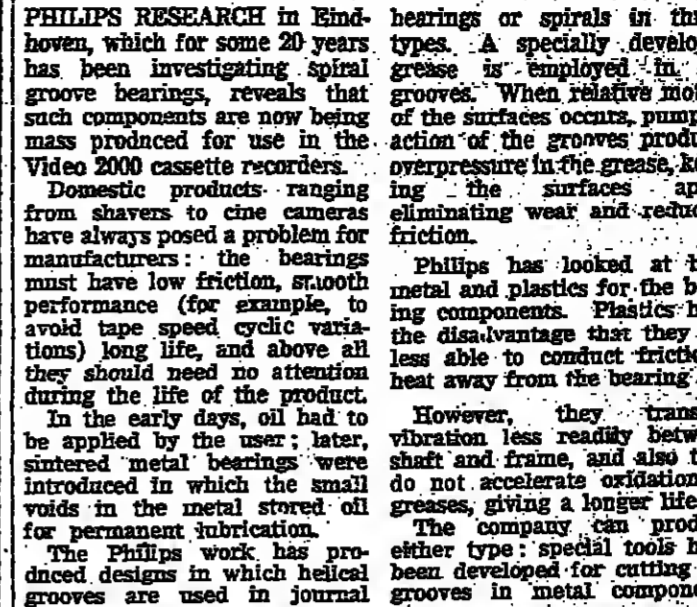
This involves coating a glass plate with a photoresistive material. A powerful laser beam cuts out the pits.

After undergoing a silvering process this becomes the glass master which is pressed against a nickel plate to make a reverse copy.

Once pressed the discs are covered in a reflective material so it can be read by laser.

Eindhoven research on friction problem

PHILIPS RESEARCH in Eindhoven, which for some 20 years has been investigating spiral groove bearings...



Splicer for optical cables

A DEVICE for producing high-quality splices between optical fibres and cables has been developed by Caloptec SA.

Working with a comparatively long splicing time of about one minute, the device allows the surface tension of the liquid quartz fibre to provide a perfect automatic centring of the two fibres.

Software for Britain

MANAGEMENT Science America, MSA, is making its Peachtree software for microcomputers available in the UK.

Hitachi announces two high capacity memories

TWO large capacity memories have been announced by Hitachi for applications such as speech synthesis, character generation and in floppy disc systems.

The biggest is a read only memory having a capacity of 256k. The NH16250 is a mask programmable CMOS device.

BUILDING AND CIVIL ENGINEERING

Airport control rooms

THE IRREPRESSIBLE growth in worldwide airport construction, which continues to provide one of the few really bright spots on the international civil engineering scene...

The control rooms, usually found perched on the top of strategically located columns, are almost endless in their permutations and can be made to suit the largest international airport complex or the smallest local terminal.

Aluminium Alloy Fabrications (Alifabs), based in Woking, Surrey, may be "small fry" in corporate terms but long experience, soundly-based growth and more than a touch of entrepreneurial flair are enabling it to make an impact in an international market.

According to Mr Frank Adam, Alifabs chairman: "We believe the scope in this area is enormous and there are few companies capable of offering standards and specifications which compete with ours."

WHAT'S NEW IN BUILDING

A VERSATILE dense building block (the D3S), which it is claimed can be quickly and easily laid with one hand, has been introduced by Beacroft Concrete Partitions.

has a maximum height reach of 12 metres, while TR2B 15 is three-motor operated and reaches 15 metres in height.

Measuring 200mm x 140mm x 250mm, it has been developed to meet the need for a dense general purpose block which also satisfies the Building Regulations for single leaf party walls.

Just published by the Cement and Concrete Association is a report Further investigations into load-spreading of concrete block paving.

Bad times for precast concrete industry

PROFIT MARGINS for the UK precast concrete industry have been slashed to as low as 2 per cent and returns on capital now stand at a 12-year low of 6 per cent.

Designs for centre of Baghdad

BRITISH ARCHITECTS, Sheppard Robson have been appointed to carry out two major commissions in the centre of Baghdad.

Design work has started on a £30m project for a group of buildings in the centre of the city. These buildings will serve as a gateway to the redevelopment of Khulafa Street.

£17m shield for Babcock

BABCOCK POWER will be involved in the construction of the Torness AGR nuclear power station in Lothian, Scotland.

INTERNATIONAL CONTRACTS

£13m Fiji power project

KIER INTERNATIONAL, a member of the French Kier Group, in partnership with Downer and Company of New Zealand, has been awarded a contract valued at £13.5m for the Monasavu power project.

£12m quay at Belawan

A SIX-YEAR, £12m contract to drill and blast about 300 cubic metres of rock overburden at the National Coal Board's open cast coal site at Headless Cross, Leicestershire, has been awarded to BOSKALIS WESTMINSTER CONSTRUCTION.

Canadian Indians' link to UK tested

EVERY ratpayer in Bromley knows how necessary or useful it can be, on occasion, to have a legal peg to prop a political grievance. Concern for human rights is a worthy political objective, protection of human rights a worthy legal function. Proceedings aimed at upholding human rights cannot legitimately be despised as an abuse of the processes of litigation.

THE WEEK IN THE COURTS

BY JUSTINIAN

judgment. For him the abstract and here issue for the Court was as to situs of obligations ultimately owed by the Crown, whether in right or respect of the UK on the one hand or of the Dominion or Provinces of Canada on the other.

RACING

BY DOMINIC WIGAN

IT WAS to be hoped that Saturday's Irish Sweep's Hurdle would shed some light on Cheikhemah at a time when the major festival prizes—the Gold Cup, and the Champion and Triumph Hurdles—look more open than ever and any one of seven or eight hurdlers could emerge favourite for next week's Schweppes Trophy.

FAVOURITE for the Champion since November, Daring Run has done little to suggest that he is a worthy favourite. The Hunter Chase season, which invariably produces a high proportion of winning favourites and second favourites, gets under way this afternoon with the Leicestershire Maiden Hunters Chase. Here, Kaylad, who boasted only moderate point-to-point form in 1980 before being pulled up on his only appearance in a hunter chase last season, can hardly be recommended with confidence on those credentials.

- LEICESTER
1.30—The Thatcher
2.00—Gold Spin
2.30—Roller Coaster
3.00—Royal Friend
3.30—Kaylad**
4.00—On A Cloud
PLUMPTON
2.15—Charlie Muddle
2.45—Saladora
3.45—Set Point**
4.15—Mons Bean*

North America Act 1987 and its successors up to the Statute of Westminster 1931 was to create an all-embracing federal structure for Canada, which was wholly independent and autonomous in relation to all internal affairs.

As a result of the evolutionary and revolutionary process, any treaty or other obligation which the Crown had entered into with the Indian peoples of Canada in right of the UK had become the responsibility of the Government of Canada with the attainment of independence.

BY JUSTINIAN

At Plumptown, where London-based racegoers are unlikely to have earlier stamped for the £880 return trip quoted for British Rail in Saturday's Sporting News, Set Point could be up to lifting the day's other hunter chase—the Clapper Challenge Cup.

Although at one time it was correct to describe the Crown

as one and indivisible, with the development of the Commonwealth this was no longer so.

As different territories in the Commonwealth attained self-government to a greater or less extent, so did any rights or obligations of what had been the Imperial Crown devolve upon the Crown in right of the particular territory concerned.

A natural consequence of the progress to self-government was that parliament in the UK would not interfere with or derogate from laws passed by the legislature in a self-governing territory on any subject which had been in truth left to their jurisdiction. To contemplate any other result would be to contemplate legislative and inter-governmental chaos.

As a result of the evolutionary and revolutionary process, any treaty or other obligation which the Crown had entered into with the Indian peoples of Canada in right of the UK had become the responsibility of the Government of Canada with the attainment of independence.

This makes a piquant contrast to the view of Lord Justice Kerr who thought that "independence is wholly irrelevant to the issue, because it is clear that the rights and obligations of the Crown will arise exclusively in right or respect of any government outside the UK as soon as it can be seen that there is an established government of the Crown in the overseas territory in question."

The evolutionary- evolutionar process moves in a mysterious way its wonders to perform.

Lord Justice May opted in his judgment for a political, constitutional viewpoint. He said that at the root of the Indians' application and the arguments in support of it there was a fundamental misunderstanding of the constitutional position.

It was settled law that although Her Majesty was the personal sovereign of the peoples inhabiting many of the territories within the Commonwealth, all rights and obligations of the Crown could only arise in relation to a particular government of those territories.

The reason was that those rights and obligations could only be exercised and enforced, if at all, through some governmental emanation or representation of the Crown.

It was clear that on the ground of a representative legislature or from the setting up of courts, legislative council or other structures of government Her Majesty's Government in a colony and a dominion was to be regarded as distinct from Her Majesty's Government in the UK.

The liabilities of the Crown in right of or under the laws of one of the Crown's territories could be satisfied only out of the revenues and by the authority of the legislature of that territory.

The situs of obligations on the part of the Crown was to be found only in that territory within the realm of the Crown where such obligations could be enforced against a local administration.

There might and could be a devolution of rights and obligations of the Crown in respect of the government of Great Britain to another government within the Commonwealth without any express statutory or other transfer, but merely by the Crown in respect of the UK now by the Crown in respect of Canada, but in any case, by the Crown.

No parliament should do anything to lessen the worth of these guarantees. They should be honoured by the Crown in respect of Canada "so long as the legal peg to prop a political grievance. Concern for human rights is a worthy political objective, protection of human rights a worthy legal function. Proceedings aimed at upholding human rights cannot legitimately be despised as an abuse of the processes of litigation.

Last week in The Queen v The Secretary of State for Foreign and Commonwealth Affairs ex parte the Indian Association of Alberta, the Court of Appeal, in three separate judgments reflecting three separate viewpoints, decided unanimously that in their current litigation in London the Indians of Alberta, Nova Scotia and New Brunswick were using the wrong legal peg to support their political grievances.

The Indians were applying for declarations by way of proceedings for judicial review—proceedings which are becoming very much a growth industry—the Foreign and Commonwealth Office had misstated the legal position concerning the rights of the Indian peoples of Canada and that the Government of the UK still owed them various treaty and other obligations.

The Indians relied strongly on the Royal Proclamation of 1763, which they ranked as their Bill of Rights. This proclamation declared that it was "just and reasonable, and essential to our interest, and the Security of our Colonies, that the several Nations or Tribes of Indians with whom we are connected, and who live under our Protection, should not be molested or disturbed in the Possession of such Parts of our Dominions and Territories as, not having been ceded to or purchased by Us, are reserved to them, or any of them, as their Hunting Grounds."

This proclamation has never been explicitly repealed in England or Canada, but has always been treated as having legislative effect.

Lord Denning in a judgment reflecting a narrative historical viewpoint and as exciting as an episode of The Archers, came to the sanguine conclusion that "there is nothing, so far as I can see, to warrant any distrust by the Indians of the Government of Canada."

But, in case there should be, the discussion in this case will strengthen their hand so as to enable them to withstand any onslaught. They will be able to say that their rights and freedoms have been guaranteed to them by the Crown, originally by the Crown in respect of the UK now by the Crown in respect of Canada, but in any case, by the Crown.

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TELEVISION

LONDON

- 9.55 am For Schools, Colleges
10.40 For Schools, Colleges
1.00 Pebble Mill at One
1.45 Camberwick Green
2.01 For Schools, Colleges
3.35 See Hear!
3.55 Regional News for England
4.00 Secret Squirrel
4.40 Roundabout
5.10 News
6.00 Nationwide
6.25 Doctor Who
7.20 The Rockford Files
8.10 Panorama
9.00 News
9.25 First of the Summer
9.35 Police: Nine months inside Thames Valley
10.40 Film 82
11.10 Big Jim and the Figaro
11.20 News
11.35 News headlines
11.45 Speak for Yourself

Chris Dunkley: Tonight's Choice

If the sight of the cars being waved frantically into the narrow dock doesn't make you laugh, and you don't think it funny to see a police chief reminding one of his officers for repeatedly arresting the same man on charges of having funny hair, wide lips, and smelling of curry, then you'll presumably be watching Not The Nine O'Clock News tonight for the sake of Pamela Stephenson's marvellous impersonations. Or just for the sake of Pamela Stephenson. The show returns to BBC-2 for six completely new programmes.

BBC 2

- 10.00 am Managing the Micro
10.35 Speak for Yourself
11.00 Play School
11.25 Play it Safe
11.35 Write Away
12.00 pm A Child's Place
12.25 Maths Help
1.35 Other People's Lives
1.45 The Computer Programme
2.30 Business Club
2.55 Star Movie: "The Silent Bell"
3.55 World Skiing Championships
5.40 Laurel and Hardy in "Going Bye Bye"
6.00 Maggie
6.25 Mr Smith's Favourite Garden
6.50 News Summary
7.55 Riverside
7.30 The Genuine Article
7.55 Perridge
8.25 Grace Kennedy
9.00 Not The Nine O'Clock News
9.25 Horizon
10.15 West Country Tales
10.45 Newsnight
11.30 TeleMontage

- 9.30 am Schools programmes
12.00 Cookshell Day
1.00 News, plus FT Index
1.20 Thames News with Robin Houston
2.00 Money-GO-Round with Joan Shenton and Tony Bastable
2.30 Monday Matinee: Richard Widmark and Mai Zetterling in "A Prize of Gold"
4.15 Dangerzone
4.20 Graham's Ark
4.45 The Book Tower
5.15 Mr and Mrs
5.45 News
6.00 Thames News with Andrew Gardner and Rita Carter
6.25 Help! with Viv Taylor
6.35 Crossroads
7.00 Wish You Were Here
7.30 Coronation Street
8.00 Let There Be Love, starring Paul Eddington, Nanette Newman and Henry McGee
8.30 World in Action
8.40 EMI Street Blues
10.00 "The Diamond Mercenaries", starring Telly Savalas
12.25 am Close: "Sit Up and Listen" with Quentin Crisp

- 1.30 pm Scottish News Headlines
2.00 Mandy Matinee: "Ratilla of the Simple Man"
3.45 Money-GO-Round
5.15 Emmerdale Farm
6.00 Scotland Today
6.30 North East News
6.40 North East News
6.55 North East News
7.05 Lou Gynn
7.10 Lou Gynn
8.25 TSN News Headlines
8.30 "Sunset" starring Henry Scobee
9.15 Sun's Magic Sundays
9.15 Emmerdale Farm
9.30 Today South West
9.30 The Two of Us
10.25 TSN Late News
11.05 Giffing Greats (Johnny Miller)
11.30 Sammie Miller
11.55 Postscript: "From Here to There"
1.20 pm TSN News Headlines
2.30 "Sunset" starring Henry Scobee
4.15 Sun's Magic Sundays
5.15 Emmerdale Farm
5.30 Today South West
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11.05 Giffing Greats (Johnny Miller)
11.30 Sammie Miller
11.55 Postscript: "From Here to There"
1.20 pm TSN News Headlines
2.30 Mandy Matinee: "The Card" starring Alan Gunstness, Glynis Johns, Valerie Hobson and Peter Clark
5.15 Radio
5.20 Coast to Coast
5.30 Coast (continued)
6.30 Gillian
10.30 A Full Life: Sir Roland Parson, writer, poet, sculptor and painter. 11.00 Thriller: 12.25 am Company

TYNE TEES

- 9.25 News
9.25 Mandy Matinee: "Gangway", starring Jessica Matthews, 5.15 Happy Days, 6.00 North East News, 6.30 Mr and Mrs, 6.30 Northern Life, 10.30 North East News, 10.32 Anneling, 11.15 Lou Gynn, 12.10 am Eclogues

ULSTER

- 1.20 pm Luncheon
2.30 Mandy Matinee: "Suz" starring Tyrone Power, Lorena Young and Annabelle
4.15 Ulster News, 5.15 Radio News, 6.02 Mr and Mrs, 6.30 Evening Ulster, 6.30 Mr and Mrs, 9.30 Quincey, 10.29 Ulster Weather, 10.30 Welcomes Back Kaiter, 11.00 Face Your Future, 11.25 Bedtime

YORKSHIRE

- 1.20 pm Calendar News, 2.30 Monday Matinee: "Catch Me If You Can" starring Douglas and Trevor Howard, 6.00 Calendar (Emley Moor and Balmston editions), 6.30 It's a Starry Starry Night, 10.30 Thara's Life Near Westfield, 11.00 Lou Gynn

BBC Sound Archives

- 9.05 Start the Week with Richard Baker, 10.30 News, 10.55 Morning News, 11.00 News, 11.05 Own Your Way, 11.20 Poetry Please, 12.00 News, 12.02 P.M. News Magazine, 5.50 Shipping Forecast, 5.55 Weather Programme, 6.00 The Six O'Clock News, 6.30 Just Music, 7.00 News, 7.05 The Archers, 7.20 Start the Week with Richard Baker, 8.00 The Monday Play (S), 8.15 Kaleidoscope, 8.30 Just Music, 10.30 The World Tonight, 10.30 Science Now, 11.00 A Book at Bedtime, 11.15 The Financial World Tonight, 11.30 Today in Parliament, 12.00 News

RADIO

- 5.00 am BBC Radio 2, 7.00 Mikes Lead, 9.00 Simon Bates, 11.30 Steve Looe, 1.00 The Day After Tomorrow, 2.00 Steve Wright, 6.00 Peter Powell, 7.00 Stevie Nicks, 8.00 Peter Powell, 9.00 David Jensen, 10.00-12.00 John Peel (S)
7.00 am BBC Radio 3, 7.05 Mornings Concert (S), 8.00 News, 8.05 Mornings Concert (continued), 9.00 News, 9.05 This Week's Contributors (Tomato Albion) and Susanna Marttila (S), 9.45 Lutyens and Gurney song recital (S), 10.30 Music for Orpheus (S), 11.15 BBC Welsh Symphony Orchestra (S), 1.00 pm News, 1.25, 884 Longhams Concert (S), 2.10 Riteaux Musicale (S), 3.40 Nick Jackson, 7.40 Brian Matthew with Round Midnight, 11.00 am Trucks Hour with Sheila Tracy (S), 2.00-5.00 You and the Night and the Music (S)
The Songs of Musomsky (S), 3.30 New Records (S), 4.55 News, 5.00 Mainly for Pleasure (S), 7.00 Aspects of the Blues, 7.30 Bioms of Dublin, a musical for radio with words and music by Anthony Burgess based on "Ulysses" by James Joyce (S), 10.30 Jazz in Britain featuring the Mike Westbrook Orchestra (S), 11.00 News, 11.05-11.15 Bohemian Nights (S), Medium Wave with VHF except 7.05-11.15 am Cricket: Sixth Test, India v England at Kanpur.
5.00 am BBC Radio 4, 6.10 Farming Week, 6.25 Shipping Forecast, 6.30 Today, 6.35 The Week on 4, 6.45 John Edson with a selection from the

- 5.00 am BBC Radio 1, 7.00 Mikes Lead, 9.00 Simon Bates, 11.30 Steve Looe, 1.00 The Day After Tomorrow, 2.00 Steve Wright, 6.00 Peter Powell, 7.00 Stevie Nicks, 8.00 Peter Powell, 9.00 David Jensen, 10.00-12.00 John Peel (S)
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7.00 am BBC Radio 3, 7.05 Mornings Concert (S), 8.00 News, 8.05 Mornings Concert (continued), 9.00 News, 9.05 This Week's Contributors (Tomato Albion) and Susanna Marttila (S), 9.45 Lutyens and Gurney song recital (S), 10.30 Music for Orpheus (S), 11.15 BBC Welsh Symphony Orchestra (S), 1.00 pm News, 1.25, 884 Longhams Concert (S), 2.10 Riteaux Musicale (S), 3.40 Nick Jackson, 7.40 Brian Matthew with Round Midnight, 11.00 am Trucks Hour with Sheila Tracy (S), 2.00-5.00 You and the Night and the Music (S)
The Songs of Musomsky (S), 3.30 New Records (S), 4.55 News, 5.00 Mainly for Pleasure (S), 7.00 Aspects of the Blues, 7.30 Bioms of Dublin, a musical for radio with words and music by Anthony Burgess based on "Ulysses" by James Joyce (S), 10.30 Jazz in Britain featuring the Mike Westbrook Orchestra (S), 11.00 News, 11.05-11.15 Bohemian Nights (S), Medium Wave with VHF except 7.05-11.15 am Cricket: Sixth Test, India v England at Kanpur.
5.00 am BBC Radio 4, 6.10 Farming Week, 6.25 Shipping Forecast, 6.30 Today, 6.35 The Week on 4, 6.45 John Edson with a selection from the

Use this new comprehensive INDEX TO THE FINANCIAL TIMES to save hours of checking through other sources. Now you can see your FINANCIAL TIMES not only as your daily source of business news but also as a valuable historical record. With this new monthly INDEX you can immediately trace anything published from January 1981 to the issue and the page. Use it to go back over the various stages in a bid campaign, for example, to monitor significant developments in a particular company or industry, to refer to any event of responsibility wherever there is anything you want to clarify. Instant reference. The INDEX gives you instant reference. Information is grouped under five headings: Companies, Companies, and Personalities—giving you sufficiently detailed and comprehensive coverage of every news item. And as the illustrations show you, it's easy for you to cross-reference a particular story under each heading. THE INDEX GIVES YOU THE MAIN POINT OF EACH STORY. THE DATA BASE IS COMPREHENSIVE, ACCURATE AND UP TO DATE. THESE ARE THE FEATURES WHICH MAKE THE INDEX SO VALUABLE. THE PRICE IS NOTED IN EACH COLUMN. THE INDEX IS DIVIDED INTO SEVERAL SECTIONS. THE UK SHIELD AND UK PENSION ENTRIES REFER TO THE INDEX WHO HAS HIS OWN INDEX IN THE SECTIONS. EACH ENTRY INCLUDES THE DATE, PAGE AND COLUMN REFERENCE. THE INDEX IS DIVIDED INTO SEVERAL SECTIONS. THE UK SHIELD AND UK PENSION ENTRIES REFER TO THE INDEX WHO HAS HIS OWN INDEX IN THE SECTIONS. EACH ENTRY INCLUDES THE DATE, PAGE AND COLUMN REFERENCE. THE INDEX IS DIVIDED INTO SEVERAL SECTIONS. THE UK SHIELD AND UK PENSION ENTRIES REFER TO THE INDEX WHO HAS HIS OWN INDEX IN THE SECTIONS. EACH ENTRY INCLUDES THE DATE, PAGE AND COLUMN REFERENCE. What users say about this index. "A very thorough index to the best source of business information." —Mr. A. R. Davies, Director, English Corp. "Excellent in all respects. A great time-saver." —Mrs. A. Bennett, Director, English Corp.

ONLY ONE COMPANY WILL BE PRIVILEGED TO MOVE INTO JOHN HUBAUD'S OLD HOUSE. JOHN HUBAUD f1553-1583 The builder of Ipsley Court in its original form, and one of the family seat's most successful occupants. He was favoured highly by Robert Dudley, Earl of Leicester, and installed Constable of Kenilworth Castle in 1572. Later, he came to have stewardship of all the Earl's manors and lands in Warwickshire, Salop, Worcestershire and Montgomery. An Elizabethan businessman of considerable foresight, he bequeathed Ipsley Court to a family that later produced one of the first governors of the Bank of England. Now with the original parts of the Court lovingly restored, and complemented by thoughtful new buildings, John Hubaud's house is ready to continue its long associations with successful businesses. REDDITCH DEVELOPMENT CORPORATION

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Why three men decided to jump out of the same boat

Ian Hamilton Fazey describes the birth of an electronic information system

TECHNOLOGICS Computing could well become an archetypal example of what the regeneration of British industry is supposed to be about. Its three founders were frustrated by big company life, had some good ideas, and eventually managed to get themselves National Enterprise Board backing of more than £45,000.

The NEB, now merged with the National Research Development Corporation into the British Technology Group (BTG), has 40 per cent of the equity. The heart of the company, however, is the combined talent of its three young founders. Andrew Polkowski, Mike Siddles and Lawrence Cook who met while working for Plessey in Liverpool.

The electronics giant had not yet begun the production of its present System X electronic switch exchange for British Telecom and there was about the plant a demoralised depression by further redundancies.

Polkowski had become convinced that his future there was going to be limited anyway. He was a staff union

representative who quite cheerfully vented his boredom by what senior managers call "making trouble." London-born, he had read physics at Liverpool University, liked Merseyside, and decided to stay there. The prospect of industry excited him—until he joined Plessey in 1973 at the age of 21.

In his own words: "It was like jumping straight into a fire. Nothing ever seemed to be happening. I used to spend my days trying to think of something to do on my own so I could get out and do it. Then Lawrence Cook joined Plessey."

Cook, also in his twenties, had already designed a printed circuit board and sold it. He and Polkowski got together and started on the do-it-yourself TV circuits market. When teletext started, Cook made himself an adaptor for his set at home, and that was where Siddles came in.

Siddles was finding life at Plessey "frustrating, grim and lacking in direction." He heard about Cook's teletext adaptor, wanted one himself for the same purpose but could not be bothered to

wire it all up. So he designed a printed circuit board to do the job. This transformed Cook's invention from a Heath-Robinson device to a unit that could be produced simply.

They marketed their teletext adaptors through the D-I-Y electronics press for £200 each at a time when early, factory-built teletext TV sets were costing £3,000.

Thus they bought a mini-computer and Siddles worked out how to hook it into Cook's teletext adaptor. Now they had an expandable, micro-processor based electronic information system on their hands. The obvious thing to do was to apply it to British Telecom's newly announced Prestel electronic information system and develop it into an editing terminal.

By 1979 they had their prototype ready. Meanwhile, Plessey had secured its System X contracts and life at work looked as though it might actually become exciting for a change. The problem, however, was that their cottage industry was becoming more than they could cope with in their spare time. One by one, two years ago, they

left Plessey and started looking for financial backing.

They worked in garden sheds and bedrooms; Cook's semi in Prescot, a pleasant Merseyside suburb, became the centre of activity. They even sold their prototype—to a Dutch publishing company that had been told by Philips it would take two years to develop something similar.

They used their houses as collateral for a £30,000 overdraft from NatWest and came close to losing them. They needed more cash so they went to the small business advisory service at Merseyside Chamber of Commerce. That led to talks with ICF, the NRDC and the NEB (now BTG), as well as an offer of private investment conditional on relocation to the Thames Valley.

However, they wanted to stay in Liverpool and finally secured NEB backing in January 1980. Each of the three accepted a salary of £7,500 plus a percentage of future sales to clear up their £30,000 overdraft. The company was capitalised at £10,000 with the three founders taking 40 per cent between them to



L to r: Michael Siddles, Laurence Cook and Andrew Polkowski used their houses as collateral

match the BTG's share. To ensure availability of experienced management, an 11 per cent stake has been taken up by Sapling, an advisory service for small firms set up by the BTG and Manchester's Collinson-Grant Management Consultants. The remaining 9 per cent has yet to be taken up.

Under the deal the BTG has also bought £45,000-worth of preference shares and NatWest has allowed another £25,000 of overdraft, with an extra £50,000 of overdraft guaranteed by the BTG. With UK and overseas demand

now increasing and expansion assured, the BTG is looking now at even more funding.

So far, since all but final assembly work has been put out to sub-contractors, Technolitics has generated only 10 direct jobs. This, however, will change as soon as the company gradually switches to employing its own workers and then to full-scale, in-house production in a larger factory than its present unit in Liverpool's famous Scotland Road. Eventually, something like 50 jobs are likely to be created.

formation base for its owner's private system.

Long term, the terminal is probably going to secure Technolitics' future, especially since it will soon be adapted for overseas markets using Teledon, the rival system to Prestel developed by the Canadians. But what has been needed is a means of generating cash for short-term growth. The Carousal, which is basically a viewdata editing terminal with a special adaptor to allow about 29 frames of information to be flashed onto ordinary television screens in continuous sequence, looks like providing it.

Each has been selling for about £9,000. A more expensive addition to the system is under development which will enable a shopper or spectator to press some buttons and quiz the data base.

In March last year, at the end of the first 12 months of operation, the company turned over about £140,000. The second year's turnover looks like exceeding £600,000 and the company is now predicting a turnover rate of £1m a year by the end of 1982.

The message goes round and round

developed by Technolitics. Transmission was by cable to each television set with Extel controlling the system at the course through a small, micro-processor-based computer.

The frames carrying the information were recycled continuously, like an endless reel, giving the system its name, the Carousal. An editing terminal at the central control point enabled them to be updated when needed.

The development was kept secret while Extel established its corner of the market at sporting events. It came to wider notice when IPC used it to keep delegates informed of events at the CBI conference in November.

Soon, television screens will start appearing in many parts of

Britain—in shopping centres, in exhibition halls, at sporting events and in big department stores. The companies that have bought Carousals, which they will use to fill the screens with appropriate information, include newspaper groups such as East Midlands Allied Press, Thomson Regional Newspapers, and Westminster Press. Another buyer, the Press TV Company of Redditch, is going to use it to put up shoppers' information and advertisements on a giant Toshiba screen in the town's shopping precinct.

The major benefit being offered by Technolitics to buyers of the system is immediate profit potential. Provided the buyer can sell advertising on his TV screens, revenue will flow.

The astute piece of marketing management has been to spot the potential for something like the Carousal and then shift the company's stance slightly to be able to exploit it. The men behind Technolitics have in fact developed the Carousal by designing a special adaptor for the product through which they originally hoped to become rich.

This was, and remains, an off-line editing terminal for Prestel. Demand for it can be judged from the fact that they have found no difficulty in selling 51 at £7,000 each in only 18 months.

The problem, however, is the failure of Prestel to grow. As Dave Phillips, Technolitics sales manager, says: "At best the Prestel market is stagnant; at worst it is declining."

SPECTATORS at major British golf tournaments last year were able to keep up with the state of the play better than ever, thanks to some astute marketing management by Technolitics.

By looking at one of the television sets placed about the course by Extel, the news and sports wire service, they were able to read the positions of competitors on the leader board, find out who was teeing off when or who was playing where, and take in any other significant information about the tournament.

Extel provided other sporting information too, and, to pay for the service, there were advertisements, some in characteristically familiar viewdata format and some in more conventional form, played back from video tapes.

What is fact the spectators were able to look at was the self-contained viewdata system

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Management abstracts

One way of tackling absenteeism. R. E. Kopeleman and others in *Personnel Administrator* (U.S.), May 81: p. 57 (5 pages, tables).

Presents a neo-Parkinsonian law of sick-leave abuse, identifies costs associated with such abuse (especially casual absence), and provides an example of an absence control scheme that doesn't aim at an unblemished attendance record but gives employees the opportunity to "plan" casual absence with management approval. Looks at the scheme's advantages, and how employees view it.

Outlines how a company can draw up a profile of itself in order to decide what type of merger/acquisition partner it ought to seek; gives advice on how to identify and screen candidates.

Discusses the objectives of, and illustrates pages from, the employee reports of named companies; examines the way layouts/graphics help or hinder the presentation of information. Takes a look at trends in U.S. annual reports for investors, and presents sample pages.

Health promotion in the workplace. M. P. Naditch in *Education in Training* (UK), May 81: p. 158 (2 pages).

Describes a health programme for all employees of Control Data Corporation (U.S.) and their spouses; outlines programme elements from initial medical examination through "workshops" (on, eg, obesity and smoking) to "social support" activities (eg cooking).

Notes how the company relates the results to absenteeism/productivity.

Strategies of effective low-share businesses. C. Y. T. Woo in *Management Journal* (UK), Jul/Sep 81: p. 15 (2 pages).

After noting that research has emphasised the importance of market-share, reports from analysis of one lot of research data: that low-market-share businesses can be effective if they operate in stable markets (with slow growth and infrequent product changes) and concentrate on their specific strengths.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £2.50 each (including VAT and p & p; cash with order) from Anbar, PO Box 23, Wembley HA9 8JY.

Discusses types of risk which need to be assessed when developing a marketing strategy within the context of an overall business plan; suggests rules of thumb, and gives examples of how named companies approach

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"Qantas wants to lull you to sleep"

"It's not enough that Qantas flies from London to Australia night and day, day and night. 'Now they're trying to entice you into their sleeper chairs."

"Don't sit it out", says Qantas.

"Stretch out and snooze the miles away on our big, comfortable 747's", says Qantas.

"Fly with us to Perth or Darwin or

Brisbane or Sydney or Melbourne. Because we practically guarantee you'll arrive bright-eyed and bushy-tailed", says Qantas.

"Well, Qantas. This will not be taken lying down -- says Koala!"

QANTAS
The Australian Airline

THE ARTS

Greenwich

Season's Greetings

by MICHAEL COVENEY



Leonard Burt and Barbara Ferris in a scene from 'Absurd Person Singular'.

longueurs and an invisible wife who sit in front of the TV. For two acts before the beginning... This splendid comedy by the author has recast all that and confirmed two of my most overtly held suspicions...

Orange Tree, Richmond

King Lear by ROSALIND CARNE

Lear stripped bare is no bad thing; it is, after all, what the play is about. Sam Walters' low-budget production uses a small, intimate acting space...

speech were something which he would happily forgo. There is no need for declamation, but whoever takes on Lear must balance a concern for personality with a concern for what the man is trying to say...

Wigmore Hall

Jean-Philippe Collard

The young French pianist already reasonably familiar here from recordings if less so from live appearances, gave a recital on Saturday that left no possible room for doubt about the thoroughness and immaculate finish of his technique...

and, where needed, elbow room. Yet, for much of the concert, I felt an imbalance between the elegance of spooling and the incompleteness, even at times the immaturity, of artistic imagination...



Two Schoolgirls (1934-35) by James Cowie

Fine Art Society

James Cowie

by WILLIAM PACKER

There will always be artists, and good artists at that, who work out their lives in comparative obscurity, acknowledged only by a close and discriminating circle...

haunting of the Bellshill compositions, and that is about it. The Tate has nothing at all, and much regrets it.

Festival Hall

Monteverdi Choir

One of Mozart's great masses — for Mozart here replaces the traditional alto with a second soprano in his solo quartet, Isobel Buchanan had the larger, creamier voice, marginally less agile though, it seemed, than Diana Montague...

Covent Garden

My Brother, My Sisters

The scenario of My Brother, My Sisters is exact in its shape, in the chief incidents that mark its macabre games, but no where does Kenneth MacMillan force meaning upon us. We are caught and held by nuances and inflections by intercepted glances and sudden curdlings of the body...

Riverside Studios

Trojans by B. A. YOUNG

The year is 1987. Four black revolutionaries and a black chanteuse occupy a great emplacement that houses the Button for firing the Bomb — a procedure they have just declined to carry out.

THEATRES

ADLEIGH S. CC 01-536 7611. POTLY CARTE...
AILEY S. CC 01-536 7611. POTLY CARTE...
ALEX S. CC 01-536 7611. POTLY CARTE...

THEATRES

ALAN S. CC 01-536 7611. POTLY CARTE...
ALICIA S. CC 01-536 7611. POTLY CARTE...
ALICE S. CC 01-536 7611. POTLY CARTE...

FINANCIAL TIMES

Financial Times advertisement for F.T. Crossword Puzzle No. 4786, including clues for 'Down' and 'Across' and a crossword grid.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
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Monday February 1 1982

Fair claim to EEC reform

HOPES, IDEALS and good intentions have once again been boiled out of the European debate to leave the familiar and bitter residue—another argument over money. It is a sad repeat of the early months of 1980, with the UK driven to use its veto over agricultural price rises to cudgel promises of compensation out of a Community to which it feels it pays too much. The supposedly related issues—reform of the Common Agricultural Policy and the development of other Community policies—are evaporating out of the Commission's grasp.

1.3 per cent on social, so the shift in emphasis would have to be prodigious to touch Britain's problem.

This would, in turn, mean breaching the limit of a 1 per cent value-added tax with which, on top of customs levies, the EEC finances itself. This would be necessary at a time when the majority of EEC governments have budgetary crises and when the UK has been driven to the fatalistic conclusion that it is only the VAT limit which will force the Common Agricultural Policy to curb its appetite for funds.

True, the current rate of Community spending is drawing down VAT at a rate of only about 0.8 per cent. There is thus some ephemeral headroom which might be exploited for spending which would marginally reduce Britain's net contribution. The British do tend to call for their money back and to demand agricultural reform rather than come up with specific proposals for such non-agricultural spending. It is indeed a complicating factor that the British Conservative Government advocates an EEC that will restrict EEC spending and would rather insist upon European principles—free trade in services, for instance—than upon European programmes.

A rather more positive attitude towards programmes might marginally improve the UK's image in Europe. Britain is, for example, uniquely well placed to propose a European energy policy. But no-one should be under any illusions that such demonstrations of goodwill will greatly influence the hard-nosed wrangling over money which lies ahead.

It is in the tight-fisted manner that the circle will have to be squared. This means a struggle to contain CAP spending through measures which, though extremely unpalatable in France, Belgium and Holland, will initially make only a minimal dent in Britain's net contribution; and a parallel campaign to extend the UK's compensation.

Experience

The important thing is that the emphasis of Britain's pressure should be applied to CAP reform rather than to compensation. All the signs suggest that the Commission's good intentions for the Commission's good intentions for, and even progress towards, CAP reform are now melting away—the writing is down on the measures aimed at removing structural milk surpluses is just one example. "Money back" may be a cyclical and easier option for Britain, but, as the experience of the last two years has shown, it will not cause the waste of resources in agriculture, or Britain's underlying disadvantage, to go away.

Spending

There is in theory both a spendthrift and a tight-fisted way of solving the underlying cause of the British complaint. The free-spending solution would be to boost the non-agricultural element in the EEC's spending, laying out substantially more for regional and social problems, funding research and development, investing heavily in transport schemes and even finding ways of spending money on industrial projects.

Mounting unemployment may change things, but for the moment just about everything militates against this up-beat way of redressing the balance. In 1980 some 70 per cent of Community spending went on agriculture, against 3.5 per cent on regional policies and

RONALD REAGAN likes big business. That, at least, is what everyone believes and in the year since he took office a wave of record-breaking takeover bids has engendered something close to euphoria in boardrooms and on Wall Street.

At last, it seemed, big business would be set free from all the tiresome shackles of the world's most complicated and costly corpus of competition law.

But some of this euphoria is premature. The dismemberment of American Telephone and Telegraph (AT&T), the world's largest company, earlier this month was quite possibly the most radical exercise in anti-trust enforcement since the Supreme Court ordered the break-up of the original oil and tobacco trusts of Rockefeller and Duke in 1911.

It is, after all, hard to imagine such an immense act of industrial reorganisation, albeit the result of an agreement between the company and the Justice Department, being carried out on competition policy grounds in any other country.

There is thus enormous interest, both in the United States and elsewhere, in the emerging anti-trust philosophy of the Administration. And it is already clear that even under President Reagan anti-trust enforcement is far from dead.

Mr William Baxter, Assistant Attorney General in charge of the Justice Department's Anti-Trust division, has actually been making this clear all along. Last year, for example, he promised to "litigate the AT&T case to the eyeballs." And he says without hesitation that he would have brought the AT&T case if he had been in his present position in 1975.

Populist hostility to company size

Mr Baxter refuses to criticise his predecessors for starting the IBM case, which was dropped on the same day as the AT&T case was settled. However, he adds, "It is hard to put yourself behind the veil of ignorance" about IBM's activities which existed before the case began.

"In general," he says, "I have no difficulty with the idea of prosecuting criminal monopolisation cases (such as AT&T and IBM). But I don't think it should be used to harass large and successful companies in response to populist hostility to company size."

What the Reagan Administration has done is to rein back some aspects of anti-trust enforcement after what is seen as a period of excessive zeal, in which the Justice Department and the Federal Trade Commission (FTC) (which shares responsibility for anti-trust enforcement with the Justice Department) attempted to establish a new precedent against conglomerate mergers of companies and shared monopolies (groups of companies which compete in collusion to restrict competition).

The FTC has dropped major shared monopoly cases which were being prepared against oil companies, car manufacturers and cereal manufacturers. However, as if to emphasise that even this aspect of anti-trust is still alive, the FTC is continuing energetically to prosecute a smaller shared monopoly case against ethyl manufacturers, including Ethyl Corporation and Du Pont. In addition the FTC is busy investigating co-operative arrangements between groups such as doctors, lawyers, trade unions and farming co-operatives to see if there are any aspects of these arrangements that could be subjected to anti-trust law.

However, the most visible and controversial part of anti-trust enforcement is the supervision of mergers. Much has been made of the new Administration's more relaxed attitude to mergers which do not involve direct competitors. But in fact previous Administrations rarely succeeded in blocking conglomerate or "vertical" mergers even if they attempted at times to do so.

Mr Baxter insists that the effect of the new approach "mustn't be judged simply by the difference in the number of successful cases being brought against mergers under the two Administrations. There is a tuned-in private bar out there and they know what the Justice Department is thinking and planning. They will often deter companies from even attempting to merge because of the risk of enormous legal costs and delays. I can say this from personal experience."

He pours scorn on the attempts to develop legal theories under which conglomerate mergers would be seen as anti-competitive: "half baked theories such as the deep pocket effect (which predicted that a company which was acquired by a large conglomerate in a different market would use its new parent's financial resources to eliminate competition) and potential competition (under which a merger would be blocked on the grounds that the acquiring company, although not at present a competitor in the market in question might have plans to enter it), these were all cures for which there is no known ailment. Mr Baxter says.

The rejection of these theories against conglomerate mergers is of particular significance for foreign companies planning takeovers in the U.S. since potential competition and "entrenchment" have been the main arguments used against foreign companies which do not at present compete in the U.S. market. In fact a number of large foreign takeovers have been passed by the Justice Department and the FTC with little or no objection in the past year.

Daimler Benz has been allowed to acquire Freightliner, which is controlled by British Petroleum; and Consolidated Goldfields has been allowed to acquire up to 50 per cent of Newmont Mining. The takeover of Texas Gulf by Elf Aquitaine and Sanja Fe Inter-

U.S. ANTI-TRUST POLICY

When big is not bad

By Anatole Kaletsky in Washington



Mr William Baxter: aiming to reduce the mystery area of merger enforcement with new guidelines

national by the Kuwaiti Government were subjected to special scrutiny because of the direct involvement of foreign governments, but they, too, have gone ahead without anti-trust objections.

However, even in the area of potential competition the relaxation in policy should not be exaggerated. Mr Baxter says that he fully accepts the idea that potential competition may be a sound reason for blocking a merger in exceptional circumstances where a clear intention by the acquiring company to enter the market independently of the merger can be established.

Indeed, the Justice Department and FTC are continuing litigation which was begun under the previous administration on these grounds. BAT Industries is being challenged by the FTC for its \$280m takeover of Appleton Paper in 1978. Appleton is the largest producer of carbonless copying paper in the U.S. The market is highly concentrated, with four firms controlling 96 per cent and the FTC alleges that BAT, which is a large producer of this product outside the U.S., was an "actual potential entrant" to this market before it acquired Appleton. Administrative hearings on this case begin this month.

In another similar case, the Justice Department is attacking Siemens' takeover of Searle Diagnostics Inc., a leading

populist hostility to large companies in themselves. In keeping large companies in concentrated markets from combining, and in preventing collusion, the anti-trust laws make good sense."

In the Baxter anti-trust division, as in that of his predecessors, most "horizontal" mergers, involving companies in the same markets, are still suspect. In deciding whether to oppose a merger he seeks to define the market as precisely as possible, both geographically and in terms of its relationship with markets in other goods.

For example, the Justice Department may decide that "the market in pencils should not be considered in isolation from the market in ballpoint pens, since they are close substitutes for one another and there may not be large barriers preventing a company moving from one to the other if lack of competition begins to drive prices up."

He then decides whether the market is sufficiently concentrated to worry about an increase in concentration and finally whether the merger in question would constitute such a "significant" increase.

The guidelines which exist at present on the last two questions were drawn up in 1968 and are remarkably restrictive. They imply that any merger creating a market share of over 6 per cent could be considered anti-competitive. In fact, according to Mr John Shenefield, who was Assistant Attorney General and later Associate Attorney General in the Carter Administration, mergers resulting in a concentration of less than 10 per cent have rarely been challenged since the early 1970s.

However, while Mr Baxter has promised to publish new guidelines to the present practice of his division, "in order to reduce the mystery area of merger enforcement to some minimal boundary, and allow companies to go about their normal business, including their merger business," with as much confidence as possible, his new guidelines may prove disappointing to advocates of a completely laissez faire approach.

He suggests, for example, that in a market where there are only six or less companies of roughly equal size, a merger could be significant. Indeed, Mr Baxter's actions confirm that horizontal mergers will continue to be difficult under the Reagan Administration. Last October his department challenged and deterred a merger between the Schlitz and Heileman brewing companies which would have created a company with a combined market share of only 16 per cent in the U.S. as a whole.

Although there was talk at the time that the merger may have been blocked on "political grounds (the owner of one of the other major brewing companies, Mr Joseph Coors, was a close associate of President Reagan, Mr Shenefield, like other anti-trust lawyers, now outside the Justice Department, believes that "the anti-trust division would have lost all credibility if it had allowed the Schlitz-

The Administration has reined back some aspects of anti-trust enforcement after what is seen as a period of excessive zeal

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In another similar case, the Justice Department is attacking Siemens' takeover of Searle Diagnostics Inc., a leading

Heileman merger to go unchallenged."

The Justice Department shares responsibility for anti-trust enforcement with the Federal Trade Commission and the views of the two agencies do not always exactly coincide. In the past the FTC has tended to "try harder" than the Justice Department to establish new precedents. Now it appears that, under Mr Thomas Campbell, a brilliant 29-year-old lawyer with an economics doctorate from Chicago, the Competition Bureau may seek to adopt a more laissez faire approach than the Justice Department, at least to horizontal merger cases.

Mr Campbell was criticised in some quarters for being unduly helpful to Mobil in its efforts to overcome the anti-trust obstacles against its bid for Marathon Oil.

He insists that all his business actions must pass economic as well as legal tests. He is "inclined to trust markets and will not intervene as a general matter unless I am convinced that markets won't work." In the case of a merger such as Mobil-Marathon this involved applying a more sophisticated level of economic analysis than used in anti-trust enforcement heretofore.

The FTC would have agreed to the merger if underwriting were made to sell off part of the overlapping assets. In the event, Mobil's bid was thwarted by U.S. Steel.

In other cases, Mr Campbell suggests, horizontal mergers may even increase competition by enabling two small firms to combine and challenge another company which is dominating a market.

The boundaries of merger activity

The Justice Department's more cautious attitude to this theory "and to the whole business of trying to mix economics and law too tightly" was expressed by Mr Baxter like this: "I believe that mergers generally are efficiency-enhancing. This economic fact is taken into account in setting the boundaries of merger activity. But once you've crossed these boundaries, you're in an area where statistical generalisation suggests that competition problems arise. I don't think you can run a legal system by voting too many subjective judgments in the enforcement agencies. It's like a bank robber who says that he could put the money to better use than the bank. I'm sure there have been cases in history where this is true, but you cannot build a legal system round that."

Only in the U.S., with its deep and pervasive dread of monopoly, could such a comparison between monopolisation and bank robbery seriously be made. In such a society neglect of anti-trust enforcement would be politically impossible. So in the end the policies of the Reagan Administration may not differ very much in their practical effects from those of the

The right time for Ulster

MR JAMES PRIOR, the Secretary of State for Northern Ireland, is right: the time for a new political initiative on Ulster is imminent.

There are several reasons why. For a start, direct rule, which has served more or less to contain the level of violence over the past few years, is ultimately politically sterile. It does no more than that. It subdues the violence, but it offers nothing to look forward to in what is a very political province.

Prudence

Hopes that within a generation or so the communities in Ulster may come peacefully together of their own accord are only hopes. In any case, it would be a long time in which to wait and see; the communities might equally move even further apart. The fact is that there is a degree of religious prejudice in Northern Ireland which is unique in western democracies. The British Government has the responsibility to do something about it. That means giving a political lead.

Mr Prior is the right man to do it. He may have gone to Stormont reluctantly, but he is a much bigger figure—and has a much better team—than any previous Secretary of State there since Mr William Whitelaw in the early 1970s.

Principles

The timing is also right from the point of view of the British Government. In all normal circumstances, Mrs Thatcher's administration has about two years to run. The time to do

The Treasury boxes clever

Treasury Ministers and officials, never too keen on power-sharing, have always been loth to leave too much manipulation of the money markets and fiddling with foreign exchange rates to their better-heeled counterparts at the Bank of England.

New Whitehall has a chance to keep a closer eye on what they are up to in Threadneedle Street. As part of a move to allow closer scrutiny of the minute-by-minute fluctuations of currencies and interest rates, the Treasury has plugged itself into the Reuters video-screen information system.

A couple of malevolent-looking TV screens now sit blinking out currency rates and electronic news flashes in the Treasury Press office and home finance division.

During the summer, as one official delightedly told me, the

Men & Matters

system will even provide them with the Test Match scores.

But the main objection is to provide for better co-ordination between the Treasury and the Bank in delicate dealing operations such as the inch-by-inch auction of money market interest rates at the end of last month.

Treasury technicians who keep a watch over such matters have pleaded for the computerised aids for the past 18 months. The cost has not yet been disclosed but, anxious to dispel any notion that this leap into the electronic age will be an extravagant burden on the public-sector borrowing requirement, the Treasury is keen to point out that it is still a laggard in the video-screen stakes.

The men in Threadneedle Street—like the rest of the City—have long accepted the Orwellian boxes as part of the office furniture.

of trust after an 11-month trial. Poulain is expected to take a seat on the supervisory board of Grundig and to join the trustees of the Grundig Foundation, the body through which Max ensures his "unrestricted role as owner."

To give himself more time for running the daily business, Grundig has also brought in as chairman of the supervisory board, Bernhard Beitz, who holds the equivalent post at Krupp.

Word perfect

Sir Anthony Burney's stint as chairman of leisure group Brent Walker has apparently stimulated an interest in information technology.

Not only is he to become chairman of a new management buy-out group from the ill-fated Nexos computer services arm of the NEB—Urwick Nexos, a consultancy and training company—but he is also busily promoting a little gadget of his own.

Burney has bought the rights to a German invention which enables you to read the words of a typed page and hear them read at the same time by the author or some other master's voice.

All done through a £20 black box and a series of 20 transparent square records placed over the pages, it has obvious literary uses. But Burney has in mind more mundane commercial applications like training salesmen in their patter by reading the words and listening while they do so to the subtle inflections used by a master craftsman to get the same message across.

Commons cause

Tory MP Julian Critchley is having a hard time persuading the Commons to fill one of the

4 WAYS YOU CAN HELP BARNARDO'S HELP CHILDREN. Advertisement for Dr Barnardo's charity, featuring a photo of a child and text about donations and support.

FOREIGN AFFAIRS

It is not enough to be 'tough'

By Ian Davidson

ONE OF the most depressing features of the Polish crisis is that it has played right into the hands of the far right in the U.S. The result is that President Reagan is finding himself under pressure to adopt foreign policy stances which are inconsistent, counterproductive or even downright silly, and which are almost bound to aggravate the tensions between America and its western European allies.

The inconsistency derives from the struggle between what one might call the unilateralists and the Atlanticists. The unilateralists believe that America's only foreign policy priority is to be tough with the Russians, and that if necessary America must be prepared to act alone in the pursuit of this objective. The Atlanticists believe that the world is a lot more complicated than that, and that a very high, if not overriding, priority is to act in concert with the European allies.

In this struggle the unilateralists have been epitomised by Mr Caspar Weinberger, the Defense Secretary, and Mr Richard Allen, until recently the National Security Adviser at the White House, while the Atlanticists have been represented by Gen. Alexander Haig, the Secretary of State.

During much of last year this struggle manifested itself in ill-disguised had temper between the opposing camps, and by oscillations of policy which seemed only to remind us of the Carter years. But by last autumn it started to look as though General Haig might be winning the war.



JARUZELSKI: a conundrum; GROMYKO: electric; REAGAN: pressured; HAIG: Atlanticist

ons would resume in Geneva on schedule, despite the crack-down in Poland; he also confirmed that his meeting with Andrei Gromyko, his Soviet counterpart, would go ahead and he even held out the possibility of a summit between Reagan and Brezhnev. Control of nuclear weapons, he said, would be in the interests of the West as well as the East and should therefore be placed in a special category outside the normal run of East-West relations, while top-level communications between the two super-powers was more, rather than less, important at a time of crisis.

It is hard to know whether Reagan and Haig adopted this line out of profound conviction of its wisdom, or because this was the only way they could get Helmut Schmidt to line up with them in blaming the Soviet Union for the clampdown in Poland. But either way, the position as enunciated by Haig was an almost unequivocal rejection of one of the most notorious legacies of Dr Henry Kissinger, the concept of "linkage," according to which arms control negotiations should only be conceded to the Russians if they behave properly in other ways.

The concept is noxious because it implies either that all arms control agreements are unfavourable to the U.S., which may be not all that dif-

ferent from what the far right in America believes right now—or else that, by behaving nicely in other ways, the Russians can persuade Washington to negotiate a weapons treaty which gives them a palpable advantage.

In these terms the concept is nonsensical. Where linkage reverts to reality is in the impact of general patterns of Soviet behaviour on public opinion in America. The Soviet invasion of Afghanistan did not prove that the second Strategic Arms Limitation Treaty (SALT II) was a bad treaty, but it did scupper it in the U.S. Congress.

Admittedly there have been setbacks to the advance of the Atlanticists: in a knee-jerk reaction to the military crack-down in Poland in December, President Reagan announced unilateral sanctions whose central measure—the ban on high-technology equipment relevant to the planned Soviet gas pipeline—seemed designed to punish the European allies as much as the Russians. But this looked like a tiresome blip on a graph which was generally pointing in another direction, and by last week leading American columnists were confidently proclaiming that General Haig had won and was finally in charge of American foreign policy.

Did they speak too soon? Even as Mr Joseph Kraft was handing down the victory ver-

dict in the columns of the Los Angeles Times, it was being overturned by Dr Henry Kissinger in those of the New York Times, in which he fulminated against the Administration for its feeble dithering in the face of Soviet misdeeds in Poland. A new and unlikely champion of the far right had spoken.

The State Department immediately reduced the Haig-Gromyko session from two days to one, and announced that the purpose of the meeting would now be to protest at the Soviet role in Poland, and not (as had previously been thought) to talk about the opening of negotiations on the control of strategic nuclear weapons.

Since that meeting, President Reagan has twice spoken of the possibility of further sanctions, including (for the first time) a curbing on American grain sales to the Soviet Union, if the Polish situation should continue to deteriorate. In other words, after a painful time-lag, in which the Europeans struggled reluctantly to match the unilateralism of the first wave of U.S. sanctions, Reagan is being goaded by the far right to threaten another unilateral wave.

This is disturbing, and in rational terms puzzling. Making sense of President Reagan's most recent pronouncements is, of course, not easy; perhaps he is still committing the sin

for which he was so roundly rebuked by Kissinger, and trying to fend off unilateralist pressures, by substituting talk for action. But perhaps he really is on the verge of new sanctions, and that implies that he assumes some quick fix is available to General Jaruzelski.

By now it has become irrelevant to debate whether General Jaruzelski was justified in imposing martial law—though it is difficult to shrug off the view of the Catholic church in Poland that the country had been in a potential state of civil war. Even if that was an over-statement, or an attempt by the church to cosy up to the martial law authorities, it is nevertheless clear that Poland is an arena of extremely complex political antagonisms. The conundrum facing Jaruzelski is how to make the transition back to a more civilian method of government, in such a way as to minimise the risks of resentment turning into an explosion.

It may be that there is only one quick fix open to Jaruzelski now—a decision not to seek any compromise with the workforce, and to back up the existing apparatus of state and party with a permanent regime of great repression. On the other hand, a strategy of conciliation and reform may also require a significant period of martial law. The trauma of the crackdown and its aftermath may have made

this easier if it has broken the most far-reaching political ambitions of rank-and-file members of Solidarity. But it may also have made it harder as it can only have revived the hopes of those in the state and party machines who are responsible for the state of Poland today and who have resisted reform for the past 18 months.

To the hard-liners on the other side of the Atlantic, the Polish crisis has been taken as proof that the Soviet Union is just as wicked as they always said it was, that détente was a total failure, and that the west Europeans are craven self-seeking traders. All of these propositions are absurd.

Détente and the development of East-West trade have in fact worked extremely well for the West; not, of course, in the way expected by utopians like Willy Brandt, but nevertheless extremely well. The Helsinki agreement played a significant part in providing Solidarity with a legal basis for its revolution, and it continues to provide a legal basis for western support for reforms. The Russians, the Poles and the Romanians are now slowly turning in the wind in a noose woven out of their economic profligacy and income dependence on western goods and western finance. This dependence in turn creates the strongest internal pressure for reform in eastern Europe.

For the past six weeks, the American right has been enjoying an emotional orgy. They (and we) will be in a much more embarrassing position if martial law is eased or lifted, because we shall start having debates about how much reform, and at what pace, is "acceptable." The only reliable criterion—and I apologise if this sounds crude—will be a commercial test.

The West is right to withhold trade credits and the rescheduling of debts, not as a punishment, but because a Poland in a state of profound political conflict is a much worse risk than a Poland which is, within limits, at peace with itself. Sooner or later that must mean reform, but we in the West cannot determine from outside what type or degree of reform it requires.

Lombard Market view of next election

By Samuel Brittan

THE MARKET'S assessment of the prospect for a company, a currency or a fixed interest stock is highly fallible. Currency and security movements are always taking the market by surprise. All that one can say of an indicator such as a forward exchange rate is that although it is certainly wrong, it is the least bad guide available. For if the market were clearly and obviously in error about a currency or a security, there would be very great gains to be obtained from purchases or sales until the error is eliminated. Those who diverge from the market price in one direction are no more likely to be right than those who diverge in another, and a group of people who have outperformed the market in the past cannot be relied on to do so in the future.

These rough generalisations apply to the political as well as the economic market-place. People voting anonymously with their pocket book are less likely to be wrong than pundits dealing in paper predictions. Where is then the political market? It is not to be found in the opinion polls, which are an immediate snapshot, which take little account of differential abstentions, the vagaries of the voting system or opinion changes between now and polling day.

People are, however, putting their money where their mouths are when they place bets on election results. They do so in the full knowledge of the opinion polls—to which they add their own guesses about future events and their effects on voters. They act anonymously and stand to lose financially if they are wrong. Wishful thinking is, therefore, likely to be minimised.

Bookmakers have already started to take bets on the next election. As that event may be over two years away, the betting is limited, markets are thin and bookmakers' own views have an influence. But quotations are available on the party with the largest number of seats in Parliament—which may not be an absolute majority.

The SDP-Liberal Alliance is most favoured, with William Hill offering even odds and Lad-

broke's 11 to eight against it. Second come the Conservatives with Ladbroke's offering six to four against, and William Hill two to one against. Labour trails with Ladbroke offering nine to four against, and William Hill five to two against. The surprise is that the Conservatives (who have recovered a little in the past few weeks) are not more unfavourably placed.

Strictly speaking, that is all one can say. For the punters are expressing no view on the number of seats the leading party will obtain. Nor do they have to say who will come second and who third.

If, nevertheless, we average the odds of the two bookmakers, scale down for their "turn" and leave aside 5 per cent for Nationalists, Ulster Unionists and others, we arrive at the following results. The Alliance has nearly 38 per cent, the Conservatives just under 32 per cent and Labour over 25 per cent.

It is not clear whether to interpret the percentages as seats or votes. The betting is on seats. But if one places a bet on, for instance, the Alliance, no opinion is being expressed on the relative showing of Labour and the Conservatives. Under the voting system to which Mrs Thatcher is so attached, the Conservatives could easily gain more votes than Labour yet have far fewer seats.

The most likely outcome on the present odds is a coalition or informal understanding between the Alliance and one of the other parties. The more extreme lunacies of the voting system could just possibly give Mr Foot an absolute majority or commanding position with fewer votes than last time. But leaving aside this freak result, the probability is that Labour and Conservatives will both have to woo the Alliance, and the influence of Labour "moderates" who would like to make their peace with the SDP will be strengthened. Indeed, the political prospect has now become so interesting that Mr James Callaghan, who does not despair of Labour and the SDP finding common ground, is likely to stand again at the next election.

Letters to the Editor

The importance of design in British industry

From Mr Peter Gorb
Sir, Christopher Lorenz's important article on Design (January 25) identifies the key issues which inhibit a fast and effective solution to the problems he poses. It is the lack of understanding amongst managers about what design is and how they can use it.

They can scarcely be blamed for this. Design is cluttered with associative qualities like style, aesthetics, creativity, external appearance and so forth; all valuable qualities, but none of them necessarily central to the design function.

At heart design is simply a planning process for artefacts. In a manufacturing business, this means the plans for the products which are, or should be, the direct concern of the managers. It also means for both manufacturing and service businesses, the plans for the environments (buildings, tools, distribution networks and so forth) through which the purposes of the enterprise are achieved, and the plans for the visual information systems through which those purposes are communicated, covering everything from management information, to advertising.

Once this central pervasive role is understood and appreciated, managers are usually prepared to make space for the designerly skills, and even to practice them themselves. These skills are firstly a high degree of visual literacy and secondly, and more fundamentally, a problem based way of working and thinking. Both of these skills receive less attention than they

deserve in the education of our children and as Lorenz rightly points out a social revolution is needed to effect the changes needed. But these changes are unlikely to influence business performance in either the short or long term, without making space for design in the hand, heart and hands of today's managers.

A contribution to that task has been going on at the London Business School for the past six years with some success and growing interest abroad, particularly in the U.S. where no design teaching as yet exists in Business Schools. What is now contemplated is a reinforcement and extension of the existing teaching to many more British managers. But that is dependent on funds being available to make it happen.

Peter Gorb,
London Business School,
Sussex Place, NW1.

From Sir Monty Finniston
Sir—James Pidditch, quoted by Christopher Lorenz in his article on Monday is quite right. "The only worthwhile judge (of design) is the consumer."

After more than 60 years of campaigning for better design (and with responsibility, according to a spokesman for the Board of Trade, for the setting up of the Design Council) the Design and Industries Association is planning to launch a subscription service for schools which will help to ensure greater discrimination among consumers of the future. The DIA's proposals would involve young people not only in appre-

ciating the relationship of design, technology and engineering to society's development both past and in the future, but also intends to give them practice in making buying decisions, e.g., on furnishing, without actually spending money. Funds are now being accumulated for an extension of the Association's work, of which the Schools Service would be part.

One other aspect of our activities which might be worth noting is a seminar in conjunction with the Institute of Marketing in Sussex Place on March 30. The title is "Where have all the Entrepreneurs gone?" and speakers will explore the relationship of design to British commercial success.

There is a great deal to be done to encourage industry to consider the virtues of good design; and it is important for those already convinced to support the Design Council and the recommendations of Sir Kenneth Corfield's report with their enthusiasm.

Monty Finniston,
President, Design and Industries Association,
17, Lawn Crescent,
Kew Gardens, Surrey.

From the Editor,
Design Engineering.

Sir—I am not sure exactly who attended Mrs Thatcher's soirée last Monday, but from the names mentioned in Chris Lorenz's excellent feature: Conran, Bayley, Jenkin, Carter and Pidditch, etc., there may well have been death of ex-

perience on the subject of design, technology and engineering for production.

Was there a representative from Salford University for example? He may well have been able to help explain some of the intricacies of turning breadboard prototypes into viable hardware. But perhaps he's been made redundant!

If Mrs Thatcher is worried about finance, does she know about the Smallpiece Design for Production Centres financed by a trust fund set up by Cosby Smallpiece, a successful industrialist who knew exactly where the weakness was in the British innovative process and who died in 1977 completely unrecognised for his vision and wisdom, not to say his generosity.

Christopher Lorenz wrote that international competitiveness was the missing link in British design; he may know that Cosby Smallpiece set up Martonair International in 1945 and that company is now the leading pneumatics technology company in Europe if not the world's!

How many of Mrs Thatcher's expert guests could match that performance?

It was also interesting to note that one of the world shattering suggestions made, according to Christopher Lorenz, was to widen the Design Council's advisory service. This journal, among others, has been saying that for years!

Perhaps the main problem confronting British design is the noble British art of lip service? C. Robbie Robinson,
30, Calderwood Street, SE28.

Taxation without representation

From Mr A. Potter
Sir—We see that Mr Hesseline, like all his predecessors, has failed to grasp the very thorny problem of rates and the gross inequalities of the present system. Also it is apparent that he has, to all intents and purposes, ignored the very sound advice presented to him by the Association of Independent Businesses and many other knowledgeable groups.

It may be well to point out some of the anomalies of the present rating system. Why should a small company pay more for its working space than a large company? Why should a single wage earner in a house pay the same rates as an equal house with four wage earners? Why should industrial premises be rated and farms be free of rates? Why should domestic ratepayers be the only sector allowed to elect

councillors when they contribute less than 10 per cent of the total rates collected?

It is time that the present rating system was replaced by local income tax. It is also time councillors stopped trying to be high-flying industrialists and refrained from using ratepayers' money for industrial purposes. The results demonstrated so far indicate that they are very incompetent at administering ratepayers' money. I would suggest they would not last three months in a similar job in industry.

The private sector of industry is fed-up to the back teeth, with having to support overspending councils and protecting the jobs of the public sector. The continuing support of these areas inevitably results in redundancies and in the closure of companies. It is time for common sense and not politics to prevail, the present system of "Taxation without Representation" must be changed. Now!
A. Potter,
Member, Regional Council

Association of Independent Businesses,
T.G.M. Gauge Maintenance,
Station Road,
Coleshill,
Birmingham.

Neither a borrower nor a lender be

From Mr S. A. Thompson.
Sir—Good for Miss Louise Bloch (letter January 20) it might not make her popular with all her contemporaries but to me, who started this correspondence on credit cards, it was music.

Once it was almost a crime to get involved with money-lenders who levied extortionate rates of interest but now it is encouraged by institutions, which not so many years ago were considered above reproach. How can we hope to keep wage demands within what the nation can afford when such institutions encourage, with blatant advertising, people to

spend what they cannot afford. Please no one write and cite the case of home loans—that is entirely different, a capital asset.
S. A. Thompson,
Lower Newlands,
Teynham, Kent.

Viking swords stay in Denmark

From Mr J. E. Upton
Sir—May I suggest to your Danish correspondent that he follows the example of his Viking ancestors who transported their swords in vessels of a different shape.
A cardboard cube, with each side measuring only three-quarters of a metre, will contain his 1.25 metre weapon—packed diagonally. Such package would not exceed the one metre limit imposed by the Danish Postal Authority.
J. E. Upton,
22 Grosvenor Gardens
News North, London SW1.

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Gill and others lobbied in battle over ACC bid

BY JOHN MOORE

MER JACK GILL, the former managing director of Associated Communications Corporation...

Around 25 shareholders, out of the 35 shareholders who hold the entire voting ordinary capital of the company...

Mr Gill holds a crucial 15 per cent voting stake and BPM Holdings, the holding company of the Birmingham Post and Mail...

Holmes & Court recently took over the chair of ACC from Lord Grade. The merchant bank took account of the extensive legal proceedings between Heron and ACC.

In its letter to the voting shareholders, Barclays says that in the legal proceedings "certain undertakings have been given to the court on behalf of ACC and the directors."

The banks add: "notwithstanding the commitments which your directors have given to Bell, the Bell proposals are therefore themselves subject to the outcome of the extraordinary general meeting."

The letter states that the revocation of the resolutions to be proposed at such meetings will therefore open the door to other offers.

important qualification. When the commitments were given, the letter says, "it was explained to the relevant directors that should a clearly 'preferable' offer subsequently be made and if the relevant directors asked to be released from their commitments, then Mr Holmes & Court on behalf of Bell would feel obliged to release those directors from their commitments provided it was clear to him that:

- Such a course was not in conflict with the requirements of the Independent Broadcasting Authority or the City Code on Takeovers and Mergers;
This course of action was supported by the company's financial advisers; and
It clearly represented what he considered to be his commercial responsibility...

The letter concludes that "although emphasising that he would not agree to be contractually bound to give such a release, Mr Holmes & Court did see an overall obligation on his part to act in accordance with a high standard of responsibility and to behave in a manner which accords with the highest standards of commercial conduct."

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are to be paid or not and the sub-sections shown below are based mainly on last year's timetable.

Table with columns for Company Name, Meeting Date, and Notes. Includes companies like Home Farm, Smith Brothers, and Client Services.

Higsons setback

A SUBSTANTIAL reduction in pre-tax profit for the first half of the current year is expected by Higsons Brewery, shareholders were told at the annual meeting.

Mr D. B. Corlett, vice-chairman, referred to the decline in trade from last September, and reported that the recent severe weather had further affected turnover and profit.

Marley starts to pick up

THERE SEEM to be faint signs that business is at last beginning to pick up says Sir Owen Aisher, chairman of building products group Marley, in his annual statement.

The report and accounts disclose that the total beneficial shareholdings of the Aisher family in the capital of the company have been reduced from 7.47m to 4.89m shares over the 12 months to October 31.

Referring to the Monopolies Commission's report on the UK concrete roof tile industry, published in November, the chairman says: "We have no right of appeal against the commission, with whom we disagree in regard to some of their findings, but in any case the customer is the final arbiter and most likely to be right."

The accounts show that the highest paid director during the year received £89,000 (£72,000). The chairman's remuneration remained at £61,000.

up at £92.55m (£78.66m) and cash and short-term deposits amounted to £4.22m (£3.25m). Working capital was up £7.2m (£1.6m).

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Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

Table of Pending Dividends with columns for Company Name, Announcement Date, Amount, and Notes.

Espley-Tyas confident

With the work on hand and the quality of his secured property projects, Mr Ronald Stuck, chairman and chief executive of Espley-Tyas Property Group, tells members in his annual review that an earnings advance is expected during the current year.

Compared with a forecast of not less than £1.2m in the February 1981 prospectus, pre-tax profits for the year ended September 30 1981 amounted to £2.28m on a turnover of £29.65m, as reported on January 20.

Auditors point out that accounts of Manston Development Company—now subsidiary—are not available and, while full provision has been made against the investment in the company, they are unable to satisfy themselves as to whether

any further loss remains to be accounted for in accordance with SSAP 1. They add that the accounts do not contain the current cost accounts required by SSAP 16.

Mr Stuck says that since the year-end, terms have been provisionally agreed for the acquisition of the outstanding minority shareholdings in Manston Development. He says that the success to date, and indications for the current year "fully justify the actions taken to ensure it becomes a wholly owned subsidiary."

He adds that both turnover and profitability have increased dramatically, compared with the figures in the year prior to acquisition.

Meeting, Inn on the Park, W, on February 22, at noon.

Oxley Printing in liquidation

Oxley Printing Group, whose share quote was suspended in August 1981, has been placed into creditors voluntary liquidation following meetings of the company's members and creditors.

Mr John Powell, a partner in Cork Cully, was appointed liquidator. The statement of affairs disclosed realisable assets of £1.9m and creditors of £2.7m. It was reported that there was little likelihood of any return to any of the 2,200 shareholders.

Jitra Rubber static at year-end

Revenue at Jitra Rubber Plantations, investment company, remained static at £136,996 compared with £137,139 in the year to September 30 1981. An associate company, the Singapore Para Rubber Estates, contributed £58,084 against £58,720 of this total.

There was a tax charge of £43,785 against £50,380, and the associate's share was £30,259 (£29,368). The dividend is unchanged at 0.5p per 10p stock unit. Disposal of investments resulted in a net gain of £37,674 (£401), less tax thereon of £6,265 (nil). Stated earnings per share were little changed at 0.78p (0.78p).

FT Share Information

The following securities have been added to the Share Information Service: Cussins Property (Section: Property); Orbit Holdings (Oil and Gas); Sonic Tape (Electricals).

US\$120,000,000 Guaranteed Floating Rate Notes due 1984 Citicorp Overseas Finance Corporation N.V.

Unconditionally Guaranteed by CITICORP. In accordance with the terms and conditions of the above-mentioned Notes and the Agent Bank Agreement dated as of November 28, 1979, between Citicorp Overseas Finance Corporation, N.V. and Citibank, N.A., notice is hereby given that the Rate of Interest for the third one month sub-period has been fixed at 15 1/4 per annum and that the interest payable for the third one-month sub-period in respect of US\$10,000 nominal of the Notes will be US\$17.64. The total amount due for Coupon No. 9 payable February 26, 1982 is US\$335.29.

HAMBRO INTERNATIONAL BOND FUND

NOTICE OF DISTRIBUTION. For the accounting year ended 31st December 1981, a distribution of U.S.\$108.60 per 10 shares is payable from 15th February 1982, against presentation of Coupon No. 6 at any of the following offices:

Hambros Bank (Guernsey) Limited, P.O. Box 6, St. Julian's Court, St. Peter Port, Guernsey, Channel Islands.

Advertisement for Astra, S.A. featuring U.S. \$100,000,000 in 16% GUARANTEED NOTES DUE 1992. Issued by K mart Corporation. Underwritten by Morgan Stanley International and other banks.

Advertisement for Caterpillar Financial Services N.V. offering Zero Coupon Guaranteed Notes, due August 11, 1992. Unconditionally Guaranteed by Caterpillar Tractor Co.

BASE LENDING RATES table listing various banks and their interest rates for different types of loans and deposits.

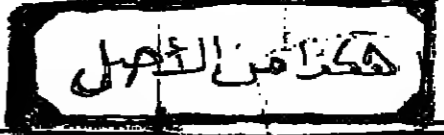
Public Works Loan Board rates table showing effective January 23, 1982, with columns for years, interest rates, and other details.

LOCAL AUTHORITY BOND TABLE showing annual interest rates for various authorities like Barnsley and Knowsley.

M. J. H. Nightingale & Co. Limited advertisement listing various financial products and services.

FINANCE FOR INDUSTRY TERM DEPOSITS advertisement from FFI, offering deposits of £1,000-£50,000.

February 1, 1982. Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN.



INTERNATIONAL BONDS

Lower rates campaign finds U.S. ally

IT IS beginning to look as though the Eurobond market may have an ally within the Reagan Administration. His name is Donald Regan and last week he expressed his admiration for the way West German, Swiss, and British central banks "seem able to control their money supplies fairly well."

The U.S. Treasury Secretary then went on to pour scorn on the Federal Reserve and blamed it for high interest rates.

Meanwhile, Europe's campaign for lower rates continues. On Friday Chancellor Schmidt reiterated his desire to see U.S. rates fall. The battle is not over.

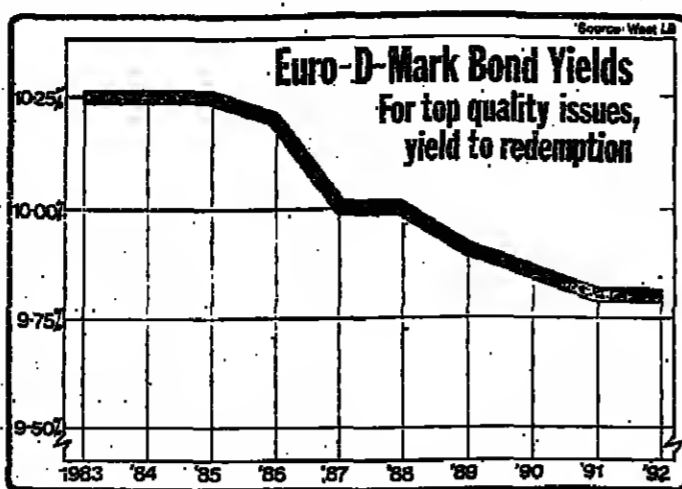
Ahead of Friday's disappointing U.S. money supply figures, however, the New York and European bond markets were both busy lifting prices of fixed-rate paper. It was, in one dealer's opinion, "a fantasy land of optimism." Without any change in the fundamentals, the

bond markets managed to gain a point in the Eurodollar and Euro D-Mark sectors.

Eurodollar six-month deposit rates ended the week at 15 per cent, a decline of nearly 1/2 point. Investors were said to be "coming out of the woodwork" and demand was moderate to heavy as the week ended.

The mini-rally was, however, at least partly a technical development as dealers covered short positions and prices were marked up in a purely professional manner. This, at least, seems to have been what was happening in the dollar sector.

A less artificial market was being made among new issue managers involved in the zero coupon bond business. The zero paper keeps coming and it is finding a home in Europe as well as the Far East. The General Electric offer in two tranches went from \$500m to \$800m on Friday and the additional interest appeared to be coming from the Continent.



Not all of the Gaz de France zero coupon paper went to Japan either last week. This is a small, but well-received offer, the first zero coupon bond from a non-U.S. borrower.

The Euro market has now seen \$5bn (nominal value) of this type of paper in the past month—the actual funds being raised amount to \$1.4bn. It is not merely the Japanese retail investor, enjoying a minimum of capital gains taxes, who is buying.

Europeans are also buying the paper for its attractive potential. Tax laws differ from country to country, but Euro-bonds are, after all, bearer bonds. Without the steady stream of income supplied by

interest-bearing bonds, these zero coupon issues will prove even more difficult than regular coupon bonds for European tax authorities to trace. This is no small incentive.

In the Euro D-Mark sector, meanwhile, life is becoming a little more pleasant. The German current account deficit is clearly improving and foreign investors are returning to the market. The ten-year yield curve (see chart) is still inverted, but new issues are requiring lower coupons than might have been thought likely a week ago.

Today sees the launch of a DM150m 10-year offer for the Province of Quebec through Commerzbank. Unless the mar-

U.S. FINANCIAL FUTURES

Eurodollar contract has a quiet start

FEW FINANCIAL futures instruments were as widely hailed as the new Eurodollar certificate of deposit contract which started trading on Chicago's International Monetary Market (IMM) last December. The contract gives institutions and individuals a means of hedging positions in the Eurodollar market or simply speculating on the course of interest rates there.

After nearly two months, however, trading volume remains small. Only a few hundred contracts are changing hands every day, compared with many thousands for better established financial futures.

Some critics suggest the contract is in jeopardy as a trading instrument, but others maintain that trading patterns show signs of strength, and that most financial futures get off to a slow start because users need to be educated.

The contract is the first of several planned by futures exchanges, including the London International Financial Futures Exchange, so "its fate" is being

closely watched. It provides for delivery in either March, June, September, or December of \$1m in three-month Eurodeposits at a prime bank. The value of the contract is determined by the interest rate on such deposits.

The IMM is far from despondent. Officials maintain that while daily trading volume may be lacklustre, the level of "open interest" is encouraging. This is a measure of the net exposure that traders have taken (the number of contracts that have not been closed out by a position taken on the other side of the market).

The IMM does have a problem, however, in that it lies six hours to the west of London, the heart of the Eurodollar market. Although trading starts specially early at 7.30 am, the business overlaps is only two hours. Some people say this small window will put a constraint on trading. But bankers disagree because Eurodollar trading is increasingly done on a worldwide basis and is less tied to a particular time zone.

David Lascelles

CREDITS

Hopes for revival rest on deals in the pipeline

VOLUME in the Eurocredit market slumped in January to its lowest level since last May. According to provisional figures from Morgan Guaranty Trust, only \$3.1bn in new credits were announced compared with \$7.2bn in December and \$8.5bn in January 1981.

Moreover the volume last month was boosted by two unusual credits, the \$1.25bn financing for the Eraring Power Station in Australia, and a \$1.7bn credit for Canada's Dome Petroleum, which was announced last November but added to Morgan's statistics only last month.

Subtracting these operations leaves a total which is minuscule even by comparison with last May's low of \$4.9bn. Particularly striking is the fact that developing countries raised only \$422m last month, compared with \$2.3m in December and \$3.1bn in January last year.

Yet the reason for the market's present sluggishness is not hard to find. Spreads are shifting for a number of key borrowers, and as a result banks are becoming wary of taking on commitments that may prove hard to sell at the smaller participant end of the market.

It has thus become difficult to set a price on many deals and both banks and borrowers have been sitting back to reassess the climate.

This could, however, already be in the process of changing. While most bankers agree that January has been a particularly slack month, several add that a substantial number of deals are now in the pipeline, several of which could serve as benchmarks for sovereign borrowers at the start of 1982.

In Asia, for example, Korea Exim Bank is expected shortly to award a mandate for a \$300m credit. Terms are also awaited on the major financing for India's Paradip steel project.

In Europe, the Bank of Greece is beginning to sound out banks for a credit expected to be in the region of \$200m, while there have been strong rumours of a large deal for Denmark, although by last Friday no mandate had actually been awarded.

In Latin America the electric utility of Sao Paulo is sounding out the market through Morgan Guaranty for a \$200m, eight-year credit with a margin of 2 1/2 per cent over London inter-

bank offered rate (Libor) or 1 1/2 per cent over U.S. prime rate.

These terms look like becoming standard for the time being for Brazil, although its previous deal, \$125m for the development bank BNDE which bears the same margins, is making rather slow progress as potential lenders claim loan limit problems are restricting their capacity to commit fresh funds.

Argentina's electric utility SEGSA is also seeking \$200m in a deal which should clear the air after the controversial \$400m credit for YPF which has just been completed. Argentina will resist any attempts to impose higher margins on its loans, arguing that YPF met a fairly good reception despite adverse comment in the market.

Amid confusion over the effectiveness of Italy's queuing system for Euromarket borrowers, the financing concern IRI is seeking \$250m. Morgan Guaranty is sounding out the market for this deal which bears indicated margins in the region of 1 1/4 for eight years.

Peter Montagnon

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
Arizona Public Service†	75	1989	7	14 1/2	100	CSFB	16.250
Nichimen**§	15	1977	15	5 1/2	100	Daiwa Secs., Sanwa Bnk. 5.750	
Swed. Export Credit††	75	1987	5	5 1/2	100	Morgan Guaranty, Merrill Lynch	5.250*
Japan Devpmt. Bnk.‡	50	1987	5	15 1/2	100	Paribas, Bnk. of Tokyo Intl.	15.500
Astra†	100	1992	10	16 1/2	99 1/2	Morgan Stanley	16.856
Bridgestone Tyres§	70	1996	14	*	100	Daiwa Secs., Merrill Lynch	*
Toray Inds.¶	50	1987	5	*	*	SG Warburg, Nomura Intl.	*
General Electric††	400	1992	10	0	36.98	Morgan Stanley, Goldman Sachs	14.390
Caterpillar Tractor‡	140	1994	12	0	19.94	Morgan Stanley, Goldman Sachs	14.390
Gaz de France§	150	1992	10	0	25.82	Goldman Sachs	14.500
RJ Reynolds‡	400	1992	10	0	25.50	Dillon Read	14.640
Baker Intl.‡	225	1992	10	0	24.70	Goldman Sachs, Blyth Eastman Paine Webber Intl., SG Warburg	15.010
Sears Roebuck‡	400	1992	10	0	24.72	Dean Witter Reynolds, Daiwa Secs.	15.000
McDonnell Douglas	50	1989	7	*	*	Merrill Lynch	17.000
CANADIAN DOLLARS							
TransAlta Utilities†	50	1989	7	17	100	Merrill Lynch	17.000
Consolidated-Bathurst†	40	1987	5	17 1/2	100	Orion Royal	17.250

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
D-MARKS							
Pemex†	150	1990	8	11	100	Commerzbank	11.000
Council of Europe‡	150	1992	8	10	99 1/2	BHF Bank	10.090
SWISS FRANCES							
Spain†	100	1992	—	8	100	CS	8.000
World Bank‡	100	1992	—	7 1/2	100	SBC	7.250
VEAS†	40	1994	—	7 1/2	99 1/2	Soditic	7.157
Nippon Sheet Glas**§	40	1989	—	6	100	SBC	6.800
ECSC**†	40	1987	—	7 1/2	100	UBS	7.250
Showa Hosen**§	35	1987	—	5 1/2	100	UBS	5.750
Hiran Walker**†	75	1987	—	7 1/2	100	CS	7.250
Belgium**	100	1987	—	*	*	Kredietbank, Morgan Grenfell	*
Mitsubishi Gas**							
Hydro Quebec†	40	1988	—	*	*	UBS	*
Japan Development Bank	100	1992	—	6 1/2	99 1/2	UBS	6.821
CS				*	*	CS	*
EUAs							
Copenhagen‡	15	1992	6 1/2	12 1/2	100	Kredietbank	12.750
YEN							
CTIC**†	10bn	1994	10.32	8.7	100	Nomura Secs., Daiwa Secs., Bank of Tokyo	8.700
KUWAITI DINARS							
Enso-Gutzeit Oy	5	1989	5	*	*	KIC	*

* Not yet priced. † Final terms. ** Placement. ‡ Floating rate note. § Minimum. ¶ Convertible. †† Registered with U.S. Securities and Exchange Commission. ‡ Purchase fund. || Issue may also be sold on an FRN basis. Note: Yields are calculated on AIBD basis.

The announcement appears as a matter of record only



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Yen 15,000,000,000
Term Loan

MANAGED BY

- The Sumitomo Bank, Limited
- The Dai-ichi Kangyo Bank, Limited
- The Fuji Bank, Limited
- The Mitsubishi Bank, Limited
- The Mitsu Bank, Limited
- The Sanwa Bank, Limited

FUNDS PROVIDED BY

- The Sumitomo Bank, Limited
- The Dai-ichi Kangyo Bank, Limited
- The Fuji Bank, Limited
- The Mitsubishi Bank, Limited
- The Sanwa Bank, Limited
- The Tokai Bank, Limited
- The Taiyo Kobe Bank, Limited
- The Hokkaido Takushoku Bank, Limited
- The Daiwa Bank, Limited
- The Saitama Bank, Limited
- The Kyowa Bank, Limited
- The Ashikaga Bank, Limited
- The Bank of Yokohama, Limited
- The Hokuiku Bank, Limited
- The Chiba Bank, Limited
- The Shizuoka Bank, Limited

AGENT BANK

The Sumitomo Bank, Limited

January, 1982



Y. Miyake, managing director

SANYO INTERNATIONAL LIMITED

Roman House (3rd Floor) Wood Street,
London EC2Y 5BP United Kingdom
Telephone: 01-628 2931
Telex: 518812979 (SYSECG)

Dear Sirs,

We have pleasure in announcing that as of this date Sanyo International Limited, wholly owned UK subsidiary of Sanyo Securities Company has commenced operations.

This will make it possible to offer a more substantial investment service to our customers throughout Europe.

Details of the many services offered by Sanyo International Limited are available from our new office at Roman House (3rd Floor) Wood Street, London EC2Y 5BP, United Kingdom.

We look forward to being of continuing assistance in your investment activities.

Yours faithfully,

Yoshio Miyake, Managing Director.

Sanyo Securities Co., Ltd.

Head Office:
1-12, Kayaba-cho, Nihonbashi, Chuo-ku,
Tokyo 103, Japan.



INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Companies and Markets

U.S. BONDS

Anxiety unrelieved by small drop in money supply

It is impossible to ignore the fact that the U.S. money supply is fast becoming a problem that refuses to go away. The funding will comprise \$5.7bn in new cash and \$4.3bn to refinance maturing debt.

Mr Paul Volcker, the Fed chairman, provided Wall Street with some cheer last week when he gave a possible technical explanation for what was going on and said a rise in the discount rate was not on the cards.

The money bulge has also quenched the pitch for the Treasury which is to carry out its first quarter refunding of this week — an exercise that will dump a record \$10bn in notes and bonds on the markets.

The Treasury's total borrowing needs this quarter will be \$25bn, exceeds the previous record \$23bn set in the first quarter last year.

David Lascelles

Table with 2 columns: U.S. INTEREST RATES (%) and values for Fed funds, 3-month Treas, 6-month CO, 30-year Treas, AAA Util, AA Industrial.

Pentagon purchase ban hits National Semiconductor

BY LOUIS KEHOE IN SAN FRANCISCO

NATIONAL SEMICONDUCTOR, one of the largest U.S. producers of integrated circuits and a major supplier of electronic devices for military applications, has been struck off the list of suppliers approved by the U.S. Defence Department.

The Pentagon's action follows admissions by the company that it had taken short cuts in the rigorous reliability testing procedures required for military parts.

New board for Simplicity Pattern

Mr Graham Ferguson Lacey has been appointed chairman and chief executive of SIMPLICITY PATTERN CO. INC., New York.

Mr Graham Ferguson Lacey has been appointed chairman and chief executive of SIMPLICITY PATTERN CO. INC., New York.

Massey to return to creditors

By Robert Gibbins in Montreal

FOLLOWING A slower than expected recovery in farm machinery demand in 1981, the troubled Massey Ferguson will soon seek "temporary relaxation" of some provisions of last year's \$700m refinancing package with its banks and the Federal and Ontario governments.

INTERNATIONAL APPOINTMENTS

term of office is two years; Mr Chao will serve a one-year term. NORTHROP CORP., Los Angeles, has named Mr Frank W. Lynch as president and chief operating officer from March 1.

EFIM deficit to reach L280bn

BY JAMES BUXTON IN ROME

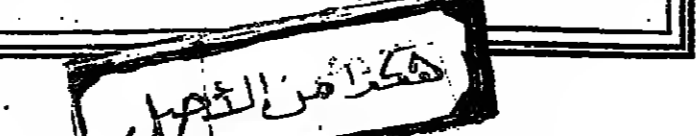
EFIM, the smallest of the three Italian state holding companies, expects to record a loss of about L280bn (\$220m) for 1981, almost all of it due to the poor financial performance of the aluminium sector.

EUROBOND TURNOVER

Table showing Eurobond turnover with columns for U.S. \$ bonds, Other bonds, and values for last week and previous week.

Advertisement for Mitsubishi Chemical Industries Limited, featuring the text 'U.S. \$50,000,000 Mitsubishi Chemical Industries Limited' and 'The Mitsubishi Bank, Limited'.

Advertisement for FT INTERNATIONAL BOND SERVICE, featuring a large table of bond data including U.S. Dollar, Deutsche Mark, and other international bonds.



NEW YORK

Table of stock prices for various companies in New York, including columns for High, Low, Stock, and Jan 29.

1981-82

Table of stock prices for various companies in 1981-82, including columns for High, Low, Stock, and Jan 29.

1981-82

Table of stock prices for various companies in 1981-82, including columns for High, Low, Stock, and Jan 29.

CANADA

Table of stock prices for various companies in Canada, including columns for High, Low, Stock, and Jan 29.

INDICES

Table of financial indices including Dow Jones, Standard and Poors, and NY S.E. All Common.

NEW YORK

Table of stock prices for various companies in New York, including columns for High, Low, Stock, and Jan 29.

1981-82

Table of stock prices for various companies in 1981-82, including columns for High, Low, Stock, and Jan 29.

CANADA

Table of stock prices for various companies in Canada, including columns for High, Low, Stock, and Jan 29.

STANDARD AND POORS

HONG KONG

1981-82

CANADA

NEW YORK

1981-82

1981-82

CANADA

NEW YORK

1981-82

1981-82

CANADA

NEW YORK

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NEW YORK

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1981-82

CANADA

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Table listing UK trade fairs and exhibitions with dates, titles, and venues.

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Table listing overseas trade fairs and exhibitions with dates, titles, and venues.

BUSINESS AND MANAGEMENT CONFERENCES

Table listing business and management conferences with dates, titles, and venues.

This week in Parliament

Today: Commons: Debate on the nuclear power programme; Lords: Mental Health (Amendment) Bill, Committee; Fishing Vessels (Acquisition and Improvement) Grants Scheme. Tomorrow: Commons: Coal Industry Bill, Second Reading; Lords: Currency Bill, Committee. Wednesday: Commons: Local Government (Miscellaneous Provisions) Bill, remaining stages.

INSURANCE

Pru increases motor premium rates 9.3%

Prudential Assurance Company increases its motor premium rates for private cars today by 9.3 per cent. This rise, which the Pru has kept very quiet about, is significant for two reasons. With 600,000 motorists on its books, it is the first major motor insurer to put up its premiums this year.

Isle of Man drafting five-year plan

The Isle of Man is drafting a five-year plan to cover the period to the next House of Keys general election, under the guidance of Mr Percy Radcliffe, first chairman of the Manx Government's Executive Council, its cabinet. He was formerly chairman of the Finance Board.

Financial Times Conferences

THE FOURTH WORLD MOTOR CONFERENCE Geneva - 1 and 2 March 1982. This pre Motor Show Conference will be opened by Dr Umberto Agnelli, Chairman, Fiat Auto SpA. Other speakers will include Mr Hideo Kamio, Managing Director, Toyota Motor Sales Company.

Advertisement for First Pennsylvania Mortgage Trust, now Atlantic Metropolitan Corporation. Includes NYSE ticker symbol ATM.

Company Notices section containing various legal notices and financial statements.

Public Notices section containing notices from The Companies Acts 1948 to 1981 and Provident Life Association of London Limited.

Public Notices section containing notices from Metropolitan Borough of Wirral and other local authorities.

Large advertisement for Bank of India, announcing a new base rate of 14 1/2% per annum and a deposit rate of 12% per annum.

Advertisement for Caisse Nationale de Telecommunications and Banque Nationale de Paris, detailing financial services and interest rates.

Advertisement for Lembaga Elektrik Negara Tanah Melayu, National Electricity Board of the States of Malaya, regarding a hydroelectric project.

Advertisement for Housing Executive and Art Galleries, including details on tendering and art exhibitions.

RECENT ISSUES

Table of recent issues with columns for issue name, date, and price.

Table of equities with columns for stock name, price, and change.

Table of fixed interest stocks with columns for stock name, price, and yield.

Table of FT Unit Trust Information Service with columns for trust name and details.

FT UNIT TRUST INFORMATION SERVICE

Table of offshore and overseas funds with columns for fund name and details.

Table of Euro-currency interest rates with columns for currency and rate.

Table of London money rates with columns for rate type and value.

Table of the pound spot and forward with columns for date and rate.

Table of the dollar spot and forward with columns for date and rate.

Table of forward rates against sterling with columns for currency and rate.

Table of EMS European currency unit rates with columns for currency and rate.

Table of other currencies with columns for currency and rate.

Table of currency movements with columns for currency and movement.

Table of currency rates with columns for currency and rate.

Table of exchange cross rates with columns for currency and rate.

Table of exchange cross rates with columns for currency and rate.

Table of exchange cross rates with columns for currency and rate.

CURRENCIES, MONEY and GOLD

MONEY MARKETS

A little more help

A LITTLE extra help was provided to the London money market by the authorities on two days last week.

disappointing U.S. money supply figures. Help of £400m on an expected shortage of £400m was provided on Tuesday, and of £270m on a shortage of £300m on Thursday.

10.05 per cent from 9.575 per cent. In New York Treasury bill rates showed an easier trend by the end of the week, and the Federal funds overnight rate was little changed at around 14 per cent despite strong upward pressure on earlier days.

Administration, including Mr Paul Volcker, chairman of the Federal Reserve Board, suggesting that the recent alarming money supply growth will soon be reversed.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly change in interest rates for London, New York, Frankfurt, Tokyo, Brussels, and Amsterdam.

LONDON MONEY RATES

Table showing London money rates for various terms like overnight, 2 days, 7 days, etc.

Local authorities and finance houses seven days' notes, others seven days' fixed. Long-term local authority mortgage rates normally three years 14 per cent; four years 14 per cent; five years 14 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies like Sterling, U.S. Dollar, Canadian Dollar, etc.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing Bank of England Treasury Bill tender details for Jan 29 and Jan 15.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for 5 months U.S. dollars and 6 months U.S. dollars.

The fixing rates (Jan 29) are the automatic market rates, rounded to the nearest one-hundredth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am on the working day.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies like Sterling, U.S. Dollar, Canadian Dollar, etc.

CURRENCIES AND GOLD

Dollar mixed

The dollar improved against several currencies last week, including the Japanese yen and the members of the European Monetary System. It lost ground to sterling and the Swiss franc however amid confused trading reflecting doubts about the future direction of U.S. interest rates.

An unexpected rise in U.S. money supply pushed up the dollar on Monday, but this trend was reversed on Tuesday as New York and Eurodollar rates fell.

The dollar's trade-weighted index, as calculated by the Bank of England, rose to 109.3 from 109.3. It rose to DM 2.3155 from DM 2.3065 against the D-mark, and to FF 5.8960 from FF 5.87 against the French franc.

The Irish punt weakened slightly within the European Monetary System, but did not come under any heavy pressure after the defeat of the Irish Government. The Belgian franc fell sharply on Friday, and remained the weakest EMS member, considerably below any other currency, but still within its divergence limit.

The dollar's trade-weighted index, as calculated by the Bank of England, rose to 109.3 from 109.3. It rose to DM 2.3155 from DM 2.3065 against the D-mark, and to FF 5.8960 from FF 5.87 against the French franc.

GOLD

Table showing gold prices for various currencies like Gold Bullion, Gold Bars, etc.

OTHER CURRENCIES

Table showing other currencies like Argentina, Brazil, Finland, Greece, Hong Kong, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies like Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

THE POUND SPOT AND FORWARD

Table showing the pound spot and forward rates for various currencies.

THE DOLLAR SPOT AND FORWARD

Table showing the dollar spot and forward rates for various currencies.

FORWARD RATES AGAINST STERLING

Table showing forward rates against sterling for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European currency unit rates for various currencies.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies.

CURRENCY RATES

Table showing currency rates for various currencies.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Fund, Abbey Income, etc., with columns for name, manager, and other details.

Table listing unit trusts under the heading 'L & C Unit Trust Management Ltd.', including L & C Bond, L & C Equity, etc.

Table listing unit trusts under the heading 'ANEV Life Assurance Ltd.', including ANEV Bond, ANEV Equity, etc.

Table listing unit trusts under the heading 'Scribner Life Group', including Scribner Bond, Scribner Equity, etc.

INSURANCE PROPERTY BONDS

Table listing insurance and property bonds, including Abbey Life Assurance Co. Ltd., etc.

NOTES: Price are in pence unless otherwise indicated. Yield % shown in column based on all buying...

Vertical text on the right edge of the page, possibly containing additional information or a sidebar.

Espley-Tyas Construction. We cover the country. London, Leeds, Birmingham. 021-454 9381

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES - Cont.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table of British Funds with columns for Name, Price, and other metrics.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Name, Price, and other metrics.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for Name, Price, and other metrics.

Uncated

Table of British Funds (Uncated) with columns for Name, Price, and other metrics.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Name, Price, and other metrics.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and other metrics.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, and other metrics.

LOANS

Table of Loans with columns for Name, Price, and other metrics.

Public Board and Ind. Financial

Table of Public Board and Industrial Financial with columns for Name, Price, and other metrics.

Building Societies

Table of Building Societies with columns for Name, Price, and other metrics.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Price, and other metrics.

AMERICANS

Table of American Stocks with columns for Name, Price, and other metrics.

Canadians

Table of Canadian Stocks with columns for Name, Price, and other metrics.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, and other metrics.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and other metrics.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Price, and other metrics.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and other metrics.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and other metrics.

ELECTRICALS

Table of Electricals with columns for Name, Price, and other metrics.

CHEMICALS, PLASTICS - Cont.

Table of Chemicals and Plastics (Continued) with columns for Name, Price, and other metrics.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and other metrics.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and other metrics.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Name, Price, and other metrics.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and other metrics.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and other metrics.

INDUSTRIALS (Miscel)

Table of Industrial (Miscellaneous) with columns for Name, Price, and other metrics.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Name, Price, and other metrics.

Table of Food, Groceries, etc. (Continued) with columns for Name, Price, and other metrics.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and other metrics.

INDUSTRIALS (Miscel)

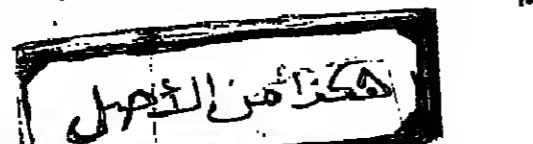
Table of Industrial (Miscellaneous) with columns for Name, Price, and other metrics.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Name, Price, and other metrics.

A FINANCIAL TIMES SURVEY INTERNATIONAL CAPITAL MARKETS MARCH 15 1982

The Financial Times is planning to publish a Survey on International Capital Markets in its issue of March 15th, 1982. The provisional editorial synopsis is set out below. Introduction Activity on the international bond and eurocredit markets was running at record levels in 1981 despite the high level of world interest rates. While the bond markets entered a more optimistic phase as the year wore on, there were increasing signs of concern in the eurocredit market over the heavy indebtedness of some borrowers and the low profitability of arranging deals at low margins. The outlook for 1982. OPEC and the World Economy Interest Rate and Exchange Market Trends The Role of IMF in the Recycling Process Regulating the Euromarkets The New York Bond Market The International Bond Markets The Eurocredit Market Export Credits Project Financing and Co-Financing The Commercial Paper Market in the U.S. New York Offshore Banking Facilities The Eurodollar Bond and Floating Rate Note Market The Convertible Bond Market The D-Mark Foreign Bond Market The Swiss Franc Foreign Bond Market The Japanese Bond Market The So-Called Minority Cuit Markets The UK Bankers Acceptance Market The Certificate of Deposit Market The Main Lenders in the Eurocredit Market Borrowing by Region Copy date: March 1st 1982 For further information and advertising rates please contact: Adrian Blackshaw Financial Times, Bracken House 10 Cannon Street, London EC4A 4BY Tel: 01-248 8000 Ex. 3389 Telex: 880533 FINTIM G The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms, with columns for stock price, last price, and volume.

LEISURE

Table of leisure-related stocks such as British Airways, British Petroleum, and various entertainment and travel companies.

PROPERTY—Continued

Table of property-related stocks including real estate investment trusts and property development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts across various sectors like infrastructure, healthcare, and technology.

OIL AND GAS—Continued

Table of oil and gas stocks including major energy companies and independent producers.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including manufacturers and distributors.

SHIPPING

Table of shipping stocks, including major shipping lines and related services.

SHOES AND LEATHER

Table of shoes and leather goods stocks, including manufacturers and retailers.

SOUTH AFRICANS

Table of South African stocks, including mining and financial institutions.

TEXTILES

Table of textile stocks, including manufacturers and retailers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including major media companies.

PAPER, PRINTING

Table of paper and printing stocks, including manufacturers and distributors.

TOBACCO

Table of tobacco stocks, including major manufacturers.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

PROPERTY

Table of property-related stocks, including real estate investment trusts.

INSURANCE

Table of insurance stocks, including major insurance companies.

OVERSEAS TRADERS

Table of overseas trading companies and their stock prices.

RUBBERS AND SISALS

Table of rubber and sisal stocks, including producers and processors.

TEAS

Table of tea stocks, including major tea companies.

MINES

Table of mining stocks, including major mineral producers.

Far West Rand

Table of Far West Rand mining stocks.

O.F.S.

Table of O.F.S. (Overseas Financial Services) stocks.

Finance

Table of finance-related stocks, including banks and financial institutions.

OIL AND GAS

Table of oil and gas stocks, including major energy companies.

NIPPON KANGYO KAKUMARU SECURITIES TOKYO, JAPAN. Includes contact information for London, Geneva, and Paris offices.

MINES—Continued

Table of mining stocks, including major mineral producers and exploration companies.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data, including stock prices and market indices for various countries.

OPTIONS

Table of options data, including call and put rates for various stocks and indices.

See it just for the experience

HAB LORRY LOADER THE MOST EFFICIENT AND WIDELY USED... GEORGE COHEN MACHINERY LTD

UK gives Indonesia £125m credit

BY RICHARD COWPER IN JAKARTA... LORD CARRINGTON, the Foreign Secretary, signed Britain's biggest ever trade credit to Indonesia at the weekend.

He is in Jakarta on the first leg of a two-week tour of countries belonging to the Association of South-East Asian Nations (Asean).

Lord Carrington said Britain had a skirmish in Indonesia in 1980 over textile imports, but that now relations between the two countries had never been better.

among the businessmen. British Aerospace is also understood to be hoping to increase its sales of Hawker Siddeley jet trainers to Indonesia which has already bought about a dozen in the last year.

Hill Samuel to make S. African changes

BY CHRISTINE MOIR IN LONDON AND BERNARD SIMON IN JOHANNESBURG... HILL SAMUEL, the UK merchant bank and financial services group, is to relinquish control of its 71.5 per cent-owned South African subsidiary and merge it with a more broadly based financial services group in which it will own 40.6 per cent.

as the senior partner in the new company. However, in a further stage, Southern Life Association, a leading South African insurance company, is to increase its holding in Board of Executors ultimate parent to 50 per cent.

In any case, under local banking regulations, Hill Samuel would probably have had to reduce its British ownership to 50 per cent by 1986.

Prior begins new talks on Ulster initiative

BY BRENDAN KEENE IN DUBLIN... MR JAMES PRIOR, the Northern Ireland Secretary, will begin a new, and possibly final, round of talks with Ulster politicians today.

Tebbit Bill faces union challenge

BY BRIAN GROOM, LABOUR STAFF... LEADERS of Britain's three largest trade unions yesterday gave the clearest threat so far that strikes will be used to overturn Mr Norman Tebbit's Employment Bill if it becomes law.

closed shop. Mr Bassett expressed confidence that a series of strikes would overturn the law. Among proposals being considered by the TUC for fighting the Tebbit Bill is a GMWU plan for the TUC to co-ordinate protest action throughout an entire industry if one employer in that industry uses a union.

U.S. has no allies in United Nations

BY OUR WASHINGTON CORRESPONDENT... THE U.S. is "without reliable allies" and is ignored, despised and reviled in the United Nations, according to Mrs Jeanne Kirkpatrick, chief U.S. delegate to the UN.

U.S. rates

and with the expected budget deficit of between \$90bn and \$100bn. However, Fed officials have frequently warned that some of the technical changes which Mr Regan appears to favour to improve short-term control of monetary aggregates would in fact make interest rates even more volatile than they are now.

Mail City Editor on £4m salary

BY CHRISTINE MOIR... MR PATRICK SERGEANT, city editor of the Daily Mail and a director of Associated Newspapers Group, the Mail's ultimate parent, received a total salary of £255,646 in the year to last September.

British Gas seeks French supplies

BY RAY DAFTER, ENERGY EDITOR... THE British Gas Corporation has begun crucial negotiations for new North Sea gas supplies. They will provide an acid test of government pricing policies.

a term, more than twice the average price now being paid for supplies. Gas industry observers said at the weekend an agreement of about 25p a therm would indicate the corporation was prepared to accede to the producers' plea for greater incentives.

duction beginning in the second half of the 1980s. According to industry estimates, recoverable gas reserves are between 750bn and 1,000bn cubic feet. In addition, the field is thought to contain between 110m and 150m barrels of recoverable oil.

REDEMPTION NOTICE

The Republic of the Philippines 9% Notes Due 1984

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated as of 16th February 1977 under which the above described Notes were issued that Scandinavian Bank Limited, Middle East Branch, Bahrain, as Fiscal Agent, has selected for redemption on 1st March 1982 BD 2,800,000 principal amount of said Notes at the redemption price of 100 per cent of the principal amount thereof, together with accrued interest to 1st March 1982. The serial numbers of the Notes selected for redemption are as follows:

Table with columns for serial numbers and denominations (e.g., D3 D77 D161 D237 D328 D380 D461 E40 E110 E217 E290 E366 E429 E515 E595 E675).

On 1st March 1982 there will become due and payable upon each Note selected for redemption the said redemption price, together with interest accrued to 1st March 1982 at all times now fully provided in the Notes.

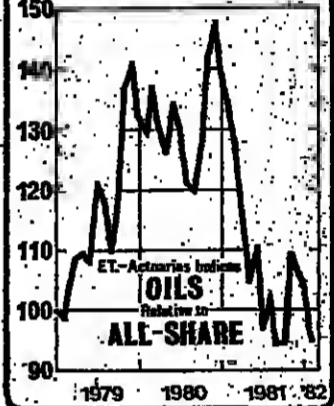
Registered at the Post Office. Printed by St. Clement's Press Ltd. Printed and published by the Financial Times Ltd., Cannon Street, London, EC3A 3DF.

THE LEX COLUMN Merchant bankers up in arms

"THERE ARE many in the City and elsewhere who regard the Council for the Securities Industry as a fifth wheel on the coach with little prospect of ever becoming anything more useful."

strongly as the issuing houses. The investing institutions, for instance, seem to have gone along quite happily with the latest rules, which in some ways will make their lives easier.

and development costs against the profits from any UK offshore producing field. The 1979 Lasso/Oil Exploration deal was one of the first tax-encouraged mergers. Lasso was moving towards heavy cash flow from Ninian while Oil Ex had a variety of exploration and development projects in hand.



On the other side, the predators will have actual or potential cash flow from producing fields to shelter and will be particularly attracted to companies with promising reserves.

The many changes levelled against the CSI include the suggestion that it reacts to changing market practices by piling rule upon rule, in a stifling and confusing manner.

Another bone of contention is the CSI's keenness to publish codes of conduct. Professor Gower echoed a common view when he suggested that such codes encouraged loose drafting, since a degree of imprecision which would be unacceptable in rules is thought to suffice in codes of conduct.

considerations give an added incentive for concluding mergers. The pressures have been reflected in the stock market, where there has been a sharp downgrading of some of the vulnerable companies.

Certainly this is the message of the stock market. Charterhouse Petroleum, for instance, is an obvious predator with £30m of cash and a corporate tax liability about to be created by Thistle revenues.